HCL INFOSYSTEMS LTD.
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Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.
Corporate Identity Number - L72200DL1986PLC023955
www.hclinfosystems.in
www.hcl.com

16th September 2022

To

The General Manager Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	**The Vice President** Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051

Sub: Annual Report- FY 2021-22

Ref: Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Symbol: NSE : HCL-INSYS
BSE (For Physical Form) : 179
BSE (For Demat Form) : 500179

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2021-22 along with the notice convening the 36th (Thirty Sixth) Annual General Meeting (AGM) of the members of HCL Infosystems Limited scheduled to held on Wednesday, 21st September 2022 at 10:00 A.M. through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') facility.

On 26th August 2022, the Company has sent the Annual Report including notice to all the shareholders and disclosed to the stock exchanges.

We hereby inform you that certain figures mentioned under clause (vii) (b) of Annexure A of Statutory Auditor's Report for the standalone financial statement, were earlier appearing in INR Lacs as against in INR Crores and the same has been corrected by the auditors vide revised Statutory Auditor's Report dated 14th September 2022. Please note that, in the revised Statutory Audit Report apart from the aforesaid correction, there is no change. Further owing to the said revision there is no change in the Financial Statements of the Company for the financial year 2021-2022

Revised Annual Report with corrigendum is attached.

The Annual Report including Notice is also available on the Company website www.hclinfosystems.in

Kindly acknowledge the receipt.

Thanking you

For HCL Infosystems Limited

KOMAL BATHLA
Digitally signed by KOMAL BATHLA
Date: 2022.09.16 18:34:30 +05'30'

Komal Bathla
Company Secretary & Compliance Officer

HCL INFOSYSTEMS

Annual Report 2021-2022

CORPORATE INFORMATION

BOARD OF DIRECTORS	**Chairman** Nikhil Sinha **Manager** Raj Kumar Sachdeva **Directors** Kaushik Dutta Sangeeta Talwar Ritu Arora Pawan Kumar Danwar Neelesh Agarwal
CHIEF FINANCIAL OFFICER	Alok Sahu
COMPANY SECRETARY	Komal Bathla
AUDITORS	BSR & Associates LLP, Gurugram
BANKERS	State Bank of India ICICI Bank Ltd. Standard Chartered Bank Axis Bank Limited IDFC First Bank Ltd.
REGISTERED OFFICE	806, Siddharth, 96 Nehru Place, New Delhi - 110 019
CORPORATE OFFICE	A-11, Sector-3, Noida-201301 (U.P.)
CORPORATE IDENTITY NUMBER	L72200DL1986PLC023955

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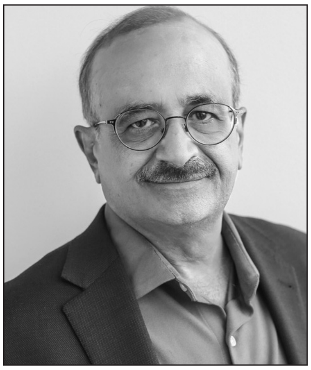
CHAIRMAN MESSAGE



Dear Shareholders,

During the financial year 2021-22, the company continued to focus on reduction of debt and losses. The Company undertook various initiatives to achieve these objectives such as monetization of properties and realization of tax refunds etc.

Our System Integration and Solutions business continued to face delays in acceptance and sign-offs on project completion from certain customers, particularly those in the power sector, resulting in delays in recovering receivables. Also as the company continued to provide support to these customers, the company is incurring higher costs which is increasing the operational losses as reflected in the financials. The team has been continuously engaging with this set of customers to recover the outstanding dues and the Company is also pursuing legal options, wherever required, by invoking arbitration to recover the receivables.

Your Company has initiated a scheme of amalgamation of Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning), wholly owned subsidiaries, with and into HCL Infosystems Limited (HCLI). The rationale for this is to consolidate multiple entities into a single entity to simplify the corporate structure and reduce administrative costs.

To assist the Company in meeting its financial obligations, the promoter Company has been, from time to time, voluntarily extending financial support (by way of loans and Corporate Guarantee) to the Company, even during challenging market circumstances.

As the Company continues to face very challenging financial conditions, the Company has no ability to invest in any new business ventures or expanding its current operations.

I would like to thank all our shareholders and all other stakeholders who have supported the company in the challenging circumstances.

With Warm Regards,
Nikhil Sinha

Management Discussion and Analysis

Focus on reduction of outstanding debt and losses

In FY21 and FY 22, the Company continued to rationalise the businesses and focused on the reduction of outstanding debt as well as curtailment of losses. Accordingly, our Distribution business was gradually scaled down during FY 21. We also took a strategic decision to divest the entire shareholding in HCL Infotech Ltd to Novezo Consulting Pvt. Ltd, after certain carve-outs. In FY 22, we completed a major part of property monetisation and collected a large portion of tax refunds.

Businesses Performance & Highlights

In FY21, we had reported revenue from continuing operations of ₹ 353 Crore while in FY22 our revenue decreased to ₹ 69 Crore.

For the purpose of financial reporting, the businesses have been arranged as per the following primary business categories:

Business Category	Lines of Business
Distribution Business	Annual Maintenance Contracts, Third-Party Enterprise and Consumer Products
System Integration and Solutions	System Integration Projects

The numbers provide a line of business-wise view based on management accounts and are not as per reported segments.

System Integration (SI) & Solutions Business

The SI and Solutions business reported revenue of ₹ 61 Crore in FY22, focusing on project execution and recovering outstanding receivables from customers.

During the year, one of the large MSP (Managed Service Provider) projects with the UIDAI (Unique Identification Authority of India) has come to a close.

During the year, the business was able to realise ₹ 155 Crore from customers, however it continued to face challenges and inordinate delays in collection of receivables. This delay was especially witnessed in customers from the power sector. The company has been constantly engaging with the customer for the acceptance of project completions; however, progress has been very slow. It can be noted here that such delays have been the main reason for the high debt obligation and finance costs of the company.

The Company is involved in various legal proceedings (including arbitrations for recovery of its receivables with some customers) and claims (including tax assessment orders/ penalty notices). In addition, the Company is also pursuing legal options by invoking arbitration to recover the receivables for the balance cases. This is leading to high legal costs as reflected in legal and professional expenses. Also, as the company continued to provide support to these customers, it is incurring higher costs which is resulting in increase in operational losses.

Distribution Business -

In FY22, the Distribution business had reported a revenue of ₹ 8 Crore as our Distribution business was gradually scaled down during FY 21.

Other Updates:

The Board of Directors and shareholders of the Company in 2021 had approved the sale of the entire shareholding held by HCL Infosystems Limited in HCL Infotech Limited to Novezo Consulting Pvt. Ltd. based on the terms and conditions specified in the Share Purchase Agreement dated February 10, 2021.

Subsequently, one of the customers of a key defence project which is part of the transaction has asked HCL to novate the project to either HCL Infosystems Limited or to a third-party service provider acceptable to the customer, instead of transferring the project as part of the HCL Infotech sale to Novezo. In response to the customer's request, the process for novating the defence project to HCL Infosystems as a stop-gap arrangement and identifying a service provider to finally take-over the AMC for the project is underway.

This exercise has resulted in a significant delay in closing the sale of HCL Infotech to Novezo. In addition, some of the terms of the Share Purchase Agreement are being renegotiated and there are unresolved issues which, if resolved, will require approval of the Board and the Shareholders of the Company.

To reduce debt obligations, during the current year, the Company has sold certain properties for a total consideration of ₹ 140 Crores. The Company is actively looking for buyers to monetize other properties.

Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining a legal opinion, the Group has credited in Statement of Profit and Loss with ₹ 19 Crores, for the year ended March 31, 2022 (2021: ₹ 71 Crores), on account of write back of certain old payables and provisions.

The Group is facing delays in receipts from the customers, primarily in the System Integration Business, due to which the Group has charged its Statement of Profit and Loss by ₹ 31 crores, with reversal of corresponding credit of ₹ 8 crores, for the year ended March 31,2022, (₹ 16 crores for the quarter ended March 31,2022, with reversal of corresponding credit of ₹ 8 crores), (Nil for the quarter ended December 31,2021) and (₹ 88 crores for the quarter ended March 31, 2021, and ₹ 90 crores for the year ended March 31, 2021) on account of provision for certain receivable balances.

As of March 31, 2022, the Group has accumulated losses and its net worth has been fully eroded, the Group's current liabilities exceeded its current assets by ₹ 412 crores for the period ended March 31, 2022 (March 31, 2021 - ₹ 516 crores). The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression. The management of HCL Infosystems Limited (Parent Company), is pursuing strategies which include scaling down loss-making businesses like scaling down of the distribution business, sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support in the form of corporate guarantees to banks of ₹ 250 crores and interest-free unsecured loans of ₹ 355 crores to the Parent Company out of a total authorized limit of ₹ 1500 crores. This had been approved by the shareholders of the Parent Company, vide their resolution dated September 14, 2017. Considering the above support, the Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realize its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

Despite all these efforts to reduce debt & losses, the Company continues to face very challenging financial conditions . As a consequence, the Company cannot invest in any new businesses or in expanding its current operations and consequently, the business of the Company will continue to contract for the foreseeable future.

COVID – 19 Impact

In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising Property, Plant and Equipment (PPE), trade receivables and other balances recoverable. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing the estimates based on available information in its assessment of the impact thereof on its financial reporting.

Based on the aforesaid assessment, management believes that the Group will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as of March 31, 2022. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements, as and when these material changes to economic conditions arise.

Business Risks & Mitigation Measures

The performance of our businesses can get affected by various risks posed by the external environment. Your Company continuously revisits the Enterprise Risk Management (ERM) framework and strengthens it to address various risks to our businesses. The risk management programme (ERM) involves risk identification, assessment and risk mitigation planning for strategic, operational and compliance-related risks across business units and functions. Periodic monitoring of risk is done and based on the overall risk performance mitigation action is refined and re-planned. The following table provides a glimpse of some key risks and their mitigation measures which the Company tracks regularly at an overall level (in addition to individual business risks tracked at the individual business level):

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy
01	Litigation	Sustainability	• Non-Cooperation of client in project sign off and payments. • Increasing support and finance cost to continuously run the operations without corresponding collections (BR) • Arbitration increases the additional cost burden	• The subject is under arbitration • This has shown positive results in terms of movement in collections as well as a positive movement in arbitration.
02	Litigation	Operational	• Disputed billed receivables due to project deliverable issues	• Contesting the matters on the basis of judicial precedents in the cases

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy
				• Case to case basis, strategically handled • Trying to mitigate the issue of delay based on established precedents. In case, the same does not chart out, we plan to bifurcate our claims with an intent to go ahead with clean claims and forego the time barred claims. • Provisions are made on a case-to-case basis based on management assessment of the legal cases
03	Financial	Continuity	• Continuity challenges in "Going Concern" status • As of Mar, 22, Group's net worth has been fully eroded • Once the SI transaction is complete, the Holding company revenue will reduce significantly.	• The company continues to derive some revenue from ED AMC & SI Projects. • Promoters have been supporting the company from time to time by extending loans and Corporate Guarantees.
04	Operational	Financial	• Delay in getting the IT refund	• Subject is under litigation and likely to take time
05	Financial	Treasury	• Continuation of BG issued to various customers clients	• Support from promoter company in the form of loans and Corporate Guarantee
06	Operational	Financial Risk	• Sale of HCL Infotech shares to Novezo-Non-Compliance by the acquirer on the terms of the Share Purchase Agreement (SPA)	• OCD, as part of the SPA, through Private placement. • In case of any challenge in recovering the BR & IT Refunds, HCLI reserves the right to convert OCD to equity • Escrow mechanism
07	Operational	Human Capital	• Loss of Human capital in critical operations	• Management is continuously exploring alternative sources for resources including outsourcing to address the attrition • Retention plans in place for identified critical resources
08	Operational	Compliances	• Legacy litigations in labour cases in HR practices	• Criminal cases have been addressed to mitigate the risk for Directors and management members.
09	Operational	Compliances	• Risk of compliance gaps due to operational scale down, resultant organizational structural changes and attrition of resources	• Periodical review of processes and alignment with organisational structure and compliance requirements. • Risk assessment before delegating the authority. • The financial authorities delegated are capped, within the framework of Board approved delegation. • Stringent exception approval process and close monitoring of adherence to Delegation of Authority and Segregation of Duty.

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy
10	Operational	Compliances	• Code of Conduct (COC) & Ethical Issues	• Independent Whistle Blower Mechanism • Strict actions on violations • continuous emphasis on company's Code of conduct policy • Annual / Quarterly certification on compliance • Periodic Internal Audit • Quarterly Statutory Audit
11	Operational	Compliances	• Risk of shared services agency opting out and continuity issues in Finance & accounting process	• Retention of key resources as part of HCL's Governance team. • Post the transition of SI business, a comprehensive review shall be taken and necessary corrective actions shall be implemented including, identification of alternative agencies
12	Outsourcing risks	Compliances	• Governance in Finance, Accounts and IT function can get complicated with multiple outsourced vendors (activity/manpower) dependency	• Documented SOP's • Retention of key resources • Close supervision • Internal audits • Statutory audits
13	Operational risks	Finance	• Legacy data is available in the older version of IT application and requires specialized skills for extracting data (skill set issue due to organization downsizing)	• Data retention requirements for the old legacy application will be reviewed. • Alternative methods for data availability shall be reviewed considering the data retention requirements of the older applications.
14	Indirect tax	Compliances	• Authorities claim cannot be foreseen without any time-limit	• The relevant data/documents are generally available in Accounts / IDT repository as well as ERP system • Document retention policies in the company aligned with the Statutory requirements and for open transactions (legally or otherwise) • Required documents are statutorily maintained as per retention policies • Wherever required, suitable follow ups with the parties for necessary documentation/confirmation.
15	Indirect tax	Compliances	• Actual liability could be more due to unsuccessful trials; • Insufficient funds to meet unsuccessful litigations	• The Company has settled high risk cases without payment of interest and penalty under Service tax, Excise and Sales Tax by opting Amnesty Schemes, wherever applicable. • Necessary provisions have been made for balance/open high-risk cases in books of account on the basis of IDT assessment and also corresponding

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy
				amount deposited with tax authorities to save the interest. The team feels that the provisions available are adequate • High value litigation matters were opined in the company's favour by expert advocates • In most of the cases except where provision has been created, the Indirect Tax team has assessed the cases in consultation with the expert advocates and are of the view that, the company has a fairly good chance of success both on factual as well as technical grounds.

Internal Control Systems and their adequacy

The Company has put in place controls commensurate with the size and nature of Operations. These have been designed to provide reasonable assurance with regards to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance with corporate policies.

The company has an internal audit function designed to review the adequacy of internal control checks in the system which, covers all significant areas of the Company's Operations such as Accounting and Finance, Procurement, Business Operations, Statutory compliances, IT Processes, Safeguarding of Assets and their protection against unauthorized use, among others. The Internal Audit function performs the internal audit of the Company's activities based on the Internal audit plan, which is reviewed each year and approved by the Board Audit Committee. The Audit Committee reviews the reports submitted by internal auditors. Suggestions for improvements are considered and the Audit Committee follows up on corrective action. Disciplinary action is taken, wherever required, for non-compliance with Corporate policies and controls.

Human Resource Development

As of March 31, 2022, the employee strength of the Company stood at 208, while on March 31, 2021, it was 788. Besides full-time employees, the Company also engaged with over 71 associates for various short-term projects across different timelines during the year. The reduction in headcount was due to the scaling down of the Distribution Business and organisational rightsizing.

DISCLAIMER

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute a 'forward-looking statements ' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over, which the Company does not have any direct control, could make a significant difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward-looking statements. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to HCL Infosystems Limited and its subsidiaries on a consolidated basis unless otherwise stated.

FINANCIAL COMMENTS ON CONSOLIDATED OPERATIONS FOR THE YEAR ENDED MARCH 31, 2022

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Management Discussion and Analysis on Financial performance relates to Consolidated Financial statements of the Company and its subsidiaries. This should be read in conjunction with the financial statements and related notes to the consolidated accounts for the year ended March 31, 2022.

RESULTS OF OPERATIONS

₹ Crore

Particulars	FY 22	FY 21
Revenue	**69**	**353**
Cost of sales	46	324
Gross margin from continuing operations	**23**	**29**
Employee benefits expense	27	80
Administration, selling and others	68	110
Depreciation and amortization expense	1	4
Interest income on lease rental	0	0
Gain on foreign exchange fluctuation	1	1
Provisions/liabilities no longer required written back	19	73
Operating Profit/(loss) from continuing operations before doubtful debts provision	**(53)**	**(91)**
Provision for doubtful debts	31	90
Interest income on discounted receivables	2	24
Investment & other Income	20	14
Finance costs	14	52
Profit/(loss) before exceptional items and tax from continuing operations	**(76)**	**(195)**
Exceptional Items gain/ (loss)	102	0
Tax expense	1	2
Profit/(loss) after tax from continuing operations	**25**	**(197)**
Other comprehensive income	0	(1)
Total comprehensive income/(loss) for the year	**25**	**(198)**

Revenue

Consolidated Revenues decreased to ₹ 69 Crore in FY 22 as compared to ₹ 353 Crore in FY 21. The decline in revenue is majorly in Distribution and System Integration businesses.

Gross Margin

Gross Margin was ₹ 23 Crore in FY 22 as against ₹ 29 Crore in FY 21

Employee Benefits Expense

Employee Benefits Expense was ₹ 27 Crore in FY 22 as against ₹ 80 Crore in FY 21 due to reduction in headcount in FY 22.

Administration, Selling and Other Expenses

Administration, Selling & other expenses were ₹ 68 Crore in FY 22 as against ₹ 110 Crore in FY 21. The details of administration, selling & other expenses is as follows:

₹ Crore

Particulars	FY 22	FY 21
Legal, Professional and Consultancy Charges*	32	36
Rates and Taxes	7	11
Retainership Expenses	8	12
Bank Charges	2	3
Rent	1	3
Travelling and Conveyance	1	0
Office Electricity and Water	1	2
Provision for Input Tax Credit**	9	21
Others	7	22
TOTAL	**68**	**110**

* We are pursuing legal options by invoking arbitrations to recover our dues from customers.This is leading to high legal cost as reflected in legal, professional and consultancy expenses (FY 22 - ₹ 16 crore and FY 21 - ₹ 17 crore)

** The unutilised /accumulated GST ITC has been provided for in books of accounts (FY 22- ₹ 9 crore and FY 21- ₹ 21 crore) to the extent Company does not foresee business opportunities in near future wherein amount can be utilised or against amount outstanding for those particular locations where GST registration has been surrendered.

Depreciation

Depreciation was ₹ 1 Crore in FY 22 as against ₹ 4 Crore in FY 21.

Provisions/Liabilities no longer required written back

Provisions/Liabilities no longer required written back were ₹ 19 Crore in FY 22 as against ₹ 73 Crore in FY 21.

Operating Profit/ (Loss) from continuing operations before Doubtful Debts provision

Operating Profit/ (Loss) from continuing operations before Doubtful Debts provision was ₹ (53) Crore in FY 22 as against ₹ (91) Crore in FY 21.

Provision for Doubtful Debts

Provisions for doubtful debts were ₹ 31 Crore in FY 22 as against ₹ 90 Crore in FY 21, mainly in System Integration business. Provision for doubtful debts created due to inordinate delays with certain customer acceptances and payments thereof.

Interest Income on discounted receivables

Interest Income on discounted receivables was ₹ 2 Crore in FY 22 as against ₹ 24 Crore in FY 21, mainly due to lower Trade Receivables in System Integration business.

Investment & Other Income

Investment & other income was ₹ 20 Crore in FY 22 as against ₹ 14 Crore in FY 21.

Finance Costs

Finance costs was ₹ 14 Crore in FY 22 as against ₹ 52 Crore in FY 21, mainly due to substitution and repayment of external borrowings in FY 22. The Company has availed interest free loan from promoter entity as on 31st March 2022 of ₹ 355 Crores which is one main reason for reduction of finance cost.

Exceptional Items

Gain from Exceptional items was ₹ 102 Crore in FY 22 (net gain on sale of properties) as against Nil in FY 21

Tax Expense

Tax expense net of deferred tax was ₹ 1 Crore in FY 22 as against ₹ 2 Crore in FY 21.

Profit/ (Loss) after Tax from continuing operations

Profit/ (Loss) after Tax from continuing operations was ₹ 25 Crore in FY 22 as against ₹ (197) Crore in FY 21.

FY 22 profit was higher primarily due to higher Gain from Exceptional items of ₹ 102 Crore in FY 22 (net gain on sale of properties) as against Nil in FY 21 and lower loss due to scaling down of operations.

FINANCIAL CONDITION

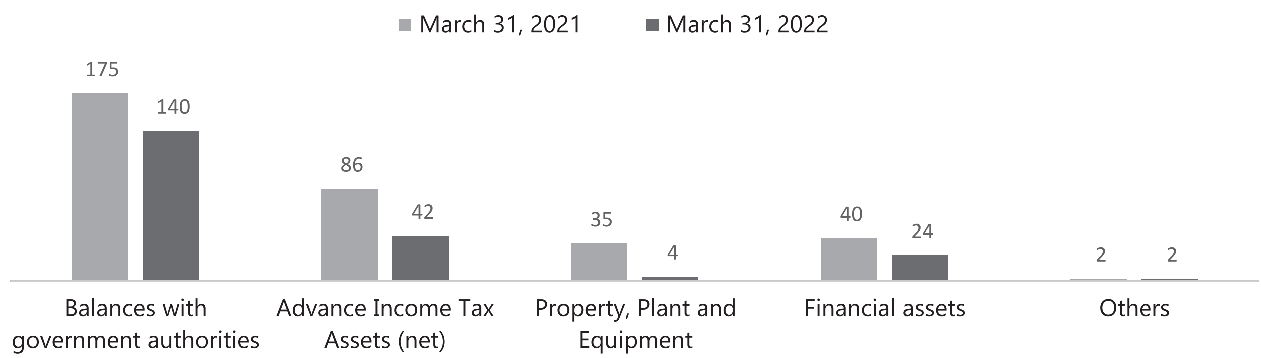
₹ Crore

Particulars	March 31, 2022	March 31, 2021
ASSETS		
Non-current assets	212	338
Current assets	272	296
Disposal group-assets held for sale	7	15
Total	**491**	**649**
EQUITY AND LIABILITIES		
Net worth	(215)	(240)
Non-current liabilities	15	61
Current liabilities	691	828
Total	**491**	**649**

Non-Current Assets

Non-current assets were ₹ 212 Crore as at March 31, 2022 as compared to ₹ 338 Crore as at March 31, 2021.The details are as follows:

₹ Crore



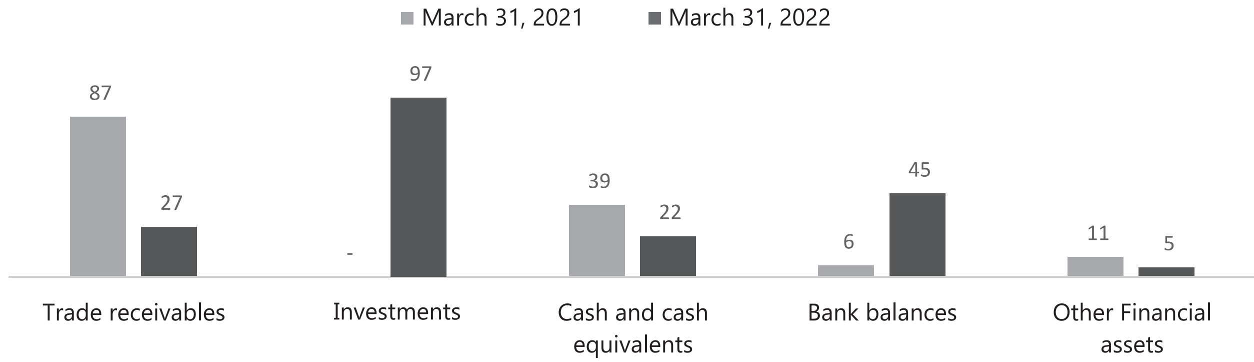
Current Assets

Current assets were ₹ 272 Crore as at March 31, 2022 as compared to ₹ 296 Crore as at March 31, 2021. The details are as follows:

- Inventories were ₹ 1 Crore as at March 31, 2022 as compared to ₹ 3 Crore as at March 31, 2021.

- Financial Assets were ₹ 196 Crore as at March 31, 2022 as compared to ₹ 142 Crore as at March 31, 2021. Trade receivables were lower at March 31, 2022 mainly in System Integration. The details are as follows:

₹ Crore



- Other Current Assets were ₹ 75 Crore as at March 31, 2022 as compared to ₹ 152 Crore as at March 31, 2021.

Net Worth

The Net-worth of the company was ₹ (215) Crore at March 31, 2022 as against ₹ (240) Crore at March 31, 2021.

Non-Current Liabilities

Non-current liabilities were ₹ 15 Crore as at March 31, 2022 as compared to ₹ 61 Crore as at March 31, 2021 mainly due to decrease in non-current borrowings by Rs 45 Crore.

Net Borrowings

Net borrowings were ₹ 250 Crore as at March 31, 2022 as compared to ₹ 493 Crore as at March 31, 2021.

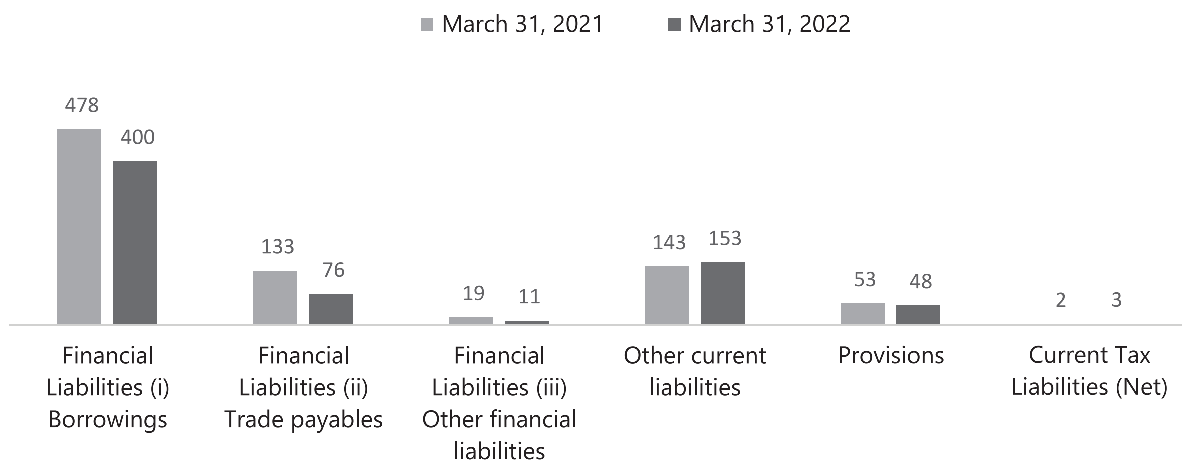
₹ Crore

Particulars	March 31, 2022	March 31, 2021
Borrowings	414	537
Less : Cash, Bank & Investments	164	44
Net Borrowings	**250**	**493**

Current Liabilities

Current liabilities were ₹ 691 Crore as at March 31, 2022 as compared to ₹ 828 Crore as at March 31, 2021.The details are as follows:

₹ Crore



- **Financial Liabilities (iii) Other Financial Liabilities** includes Employee benefits payable, Deposits, Interest accrued but not due on borrowings, etc.
- **Other Current Liabilities** includes deferred revenue, advances received from customers, statutory dues payable, etc.

CASH FLOW STATEMENT

A summary of cash flow statement is given below:

₹ Crore

Particulars	FY 22	FY 21
Opening balance of cash and cash equivalents	39	55
Net cash flow from operating activities	101	(15)
Net cash flow from investing activities	21	21
Net cash flow from financing activities	(139)	(22)
Effect of foreign exchange on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	**22**	**39**

Cash flow from operations

In FY 22, the Company generated ₹ 101 Crore from operations as against ₹ (15) Crore in FY 21. In FY 22, higher cash flows were due to higher income tax refund and lower loss due to scaling down of business.

₹ Crore

Particulars	FY 22	FY 21
Operating loss before changes in operating assets and liabilities	(57)	(133)
Changes in operating assets and liabilities	101	80
Cash generated from operations	**44**	**(53)**
Taxes (paid)/received (net of tax deducted at source)	57	38
Net cash generated/(used) in operating activities	**101**	**(15)**

Cash flow from investing activities

In FY 22 and FY 21, the Company generated ₹ 21 Crore in each year from investing activities. The cash generation in FY 22 was mainly comprised of receipt of business consideration on sale of investment in subsidiaries ₹ 16 Crores, proceeds from sale of properties ₹ 140 Crore, Interest income ₹ 2 Crores utilised by purchase of current investments ₹ 96 Crore, Investment in Bank Deposits ₹ 41 Crores as against FY 21 comprised of redemption of bank deposits ₹ 16 Crores, proceeds from sale of properties ₹ 3 Crore, Interest income Rs 3 Crore utilised by others ₹ 1 Crore.

Cash flow from financing activities

In FY 22, the Company used ₹ 139 Crore for financing activities (mainly for loan repayment and interest payment) as against cash used of ₹ 22 Crore in FY 21.

SEGMENT PERFORMANCE

Segment Revenue

₹ Crore

Particulars	FY 22	FY 21
- Hardware Products and Solutions	61	135
- Distribution	8	217
- Learning	-	-
Less : Intersegment Eliminations	-	-
Total	**69**	**353**

Hardware Products and Solutions

Hardware Products & Solution business comprise of large system integration projects to enterprise and government customers.

Segment revenue in FY 22 was ₹ 61 Crore as against ₹ 135 Crore in FY 21.

Segment PBIT in FY 22 was ₹ (30) Crore as against ₹ (82) Crore in FY 21.

Segment assets were ₹ 170 Crore as at March 31, 2022 as against ₹ 282 Crore as at March 31, 2021 and Segment liabilities were ₹ 225 Crore as at March 31, 2022 as against ₹ 265 Crore as at March 31, 2021. The reduction in Segment assets was primarily due to reduction in trade receivables.

Distribution

The distribution segment consists of distribution of (a) Consumer Products including telecommunication, digital lifestyle and consumer electronic products (b) Enterprise products including IT products, Enterprise software and Office Automation products. This business has been gradually scaled down starting from FY 21

Segment revenue in FY 22 was ₹ 8 Crore as against ₹ 217 Crore in FY 21. FY 22 revenue primarily includes Enterprise Distribution AMC revenue whereas in FY 21 consumer Distribution revenue was ₹ 159 Crore and Enterprise Distribution revenue was ₹ 58 Crore.

Segment PBIT in FY 22 was ₹ 2 Crore as against ₹ (34) Crore in FY 21. PBIT is higher in FY 22 mainly due to provision reversals and low operational loss.

Segment assets were ₹ 101 Crore as at March 31, 2022 as against ₹ 141 Crore as at March 31, 2021 and Segment liabilities were ₹ 24 Crore as at March 31, 2022 as against ₹ 42 Crore as at March 31, 2021. Segment assets & liabilities as at March 31, 2022 were lower mainly due to scaling down of Distribution business.

Learning

Segment revenue in FY 22 and FY 21 was Nil.

Segment PBIT in FY 22 was ₹ 0.5 Crore as against ₹ 1.2 Crore in FY 21.

Segment assets were ₹ 0.8 Crore as at March 31, 2022 as against ₹ 1.9 Crore as at March 31, 2021 and Segment liabilities were ₹ 0.6 Crore as at March 31, 2022 as against ₹ 1.3 crore as at March 31, 2021.

KEY FINANCIAL RATIOS:

Particulars	FY 22	FY 21
Debtors Turnover (Days)	146.3	89.8
Inventory Turnover (Days)	2.7	2.9
Current Ratio (times)	0.4	0.4
Operating Profit Margin (%)	-76.7%	-25.8%
Net Profit Margin (%)	35.6%	-55.8%

- Debtors Turnover days were at 146.3 as at March 31, 2022 as against 89.8 as at March 31, 2021 due to lower revenue on account of scaling down of business.
- Inventory Turnover days were at 2.7 as at March 31, 2022 as against 2.9 as at March 31, 2021 due to lower Inventory.
- Debt Equity Ratio was negative as at March 31, 2022 and March 31, 2021 due to negative Net-worth.
- Operating Profit Margin was at (76.7%) as at March 31, 2022 as against (25.8%) as at March 31, 2021 due to lower revenue in FY 22.
- Interest coverage was negative on account of negative EBIT before exceptional items in FY22 & FY21.
- Net Profit Margin was 35.6% for FY22 as against (55.8%) for FY21 due to higher gain on property sale in FY22.

Board Report

Dear Shareholders,

Your Board of Directors are pleased to present the Thirty Sixth (36th) Annual Report on the Business and Operations of the Company, together with the Audited Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2022.

Financial Highlights

The summary of the financial performance of the Company for the Financial Year ended March 31, 2022, as compared to the previous year is as below:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	**2021-22**	2020-21
Continuing operations				
Net Sales and other income	**110.98**	466.02	**37.56**	240.99
Loss before exceptional items Interest, depreciation and tax	**(60.60)**	(138.13)	**(33.94)**	60.35)
Finance charges	**13.70**	52.35	**12.64**	49.50
Depreciation and amortization	**1.47**	4.27	**1.35**	4.03
Exceptional items	**101.51**	-	**72.61**	(90.88)
Profit/(Loss) before tax	**25.74**	(194.75)	**24.68**	(204.76)
Provision for taxation: current	**1.22**	1.98	**-**	-
Deferred tax expenses / (credit)	-	**-**	-	-
Net Profit/(loss) after tax	**24.52**	(196.73)	**24.68**	(204.76)
Discontinued operations				
Net Profit/(loss) after tax	**24.52**	(196.73)	**24.68**	(204.76)

State of Company's Affairs/Performance

The consolidated net sales and other income (from continuing operations) of the Company for the financial year ended March 31, 2022, was ₹ 110.98 crores as against ₹ 466.02 crores during the previous financial year ended March 31, 2021. The consolidated profit before tax (from continuing operations) for the financial year ended, March 31, 2022, was ₹ 25.74 crores as against a loss of ₹ 194.75 crores during the previous financial year ended March 31, 2021.

The net sales and other income on standalone basis for the financial year ended, March 31, 2022, was ₹ 37.56 crores as against ₹ 240.99 crores during the previous financial year ended March 31, 2021. The profit before tax for the financial year ended, March 31, 2022, was ₹ 24.68 crores as against a loss of ₹ 204.76 crores during the previous financial year ended March 31, 2021.

Recommendation of Dividend

Your Board of Directors do not recommend any dividend for the financial year 2021-22.

Operations

A detailed analysis and insight into the financial performance and operations of your Company for the year ended March 31, 2022, is provided in the Management Discussion and Analysis, forming part of the Annual Report.

Material Change and Commitments

The Board of Directors and shareholders of the Company in 2021 had approved the sale of the entire shareholding held by HCL Infosystems Limited in HCL Infotech Limited to Novezo Consulting Pvt. Ltd. based_on the terms and conditions specified in the Share Purchase Agreement dated February 10, 2021.

Subsequently, one of the customers of a key defence project which is part of the transaction has asked HCL to novate the project to either HCL Infosystems Limited or to a third-party service provider acceptable to the customer, instead of transferring the project as part of the HCL Infotech sale to Novezo. In response to the customer's request, the process for novating the defence project to HCL Infosystems as a stop gap arrangement and identifying a service provider to finally take-over the AMC for the project, is underway.

This exercise has resulted in a significant delay in closing the sale of HCL infotech to Novezo. In addition, some of the terms of the Share Purchase Agreement are being renegotiated and there are unresolved issues which if resolved, will require approval of the Board and the Shareholders of the Company.

Share Capital

As on March 31, 2022, the authorized share capital of the Company stands at INR 1,155,000,000 (One Hundred Fifteen

Crores and Fifty Lakhs Only) divided into (i) 552,500,000 (Fifty-Five Crores and Twenty-Five Lakhs) equity shares having a nominal value of INR 2/- each and (ii) 500,000 (Five Lakhs) Preference Shares having a nominal value of INR 100 each.

As on March 31, 2022, the issued and subscribed share capital stands at INR 658,421,856 (Indian Rupees Sixty-Five Crores Eighty-Four Lakhs Twenty-One Thousand Eight Hundred and Fifty-Six only) divided into 329,210,928 (Thirty-Two Crores Ninety-Two Lakhs Ten Thousand Nine Hundred and Twenty-Eight) equity shares of INR 2 each.

As on March 31, 2022, paid up equity share capital stands at INR 658,419,856 (Indian Rupees Sixty-Five Crores Eighty-Four Lakhs Nineteen Thousand Eight Hundred and Fifty-Six only) divided into 329,209,928 (Thirty-Two Crores Ninety-Two Lakhs Nine Thousand Nine Hundred and Twenty-Eight) equity shares of INR 2 each.

Transfer to Reserves

In view of losses, no amount is proposed to be transferred to the general reserve of the Company.

Details of Amalgamation / Restructuring

Your Company initiated a scheme of amalgamation of Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning), wholly owned subsidiaries, with and into HCL Infosystems Limited (HCLI). The rationale for this is to consolidate multiple entities into a single entity to simplify the corporate structure and reduce administrative costs. The petition for sanctioning of the scheme was filed before the Hon'ble NCLT, New Delhi bench on 13th December 2021.

Pursuant to order of the Hon'ble NCLT, New Delhi dated 18th January, 2022, notices were duly issued to statutory authorities inviting their objections to the scheme and reports have been obtained from the Official Liquidator and the Regional Director. Adequate responses to their observations have also been filed before the Hon'ble NCLT along with necessary compliances. The scheme is now pending before the Hon'ble NCLT until next hearing. The Company has also proposed to change the Appointed Date of the Scheme from April 01, 2020, to April 01, 2022, which would require an approval from the NCLT.

Credit Rating

The Company has credit rating of "BBB-/Negative" as long-term issuer rating and "A3" as short-term issuer rating, indicating moderate degree of safety regarding timely servicing of financial obligations", from India Ratings and Research (Ind-Ra).

Deposits

Your Company has not accepted/renewed any deposits from the public during the year and there were no deposits outstanding either at the beginning or at the end of the year.

Listing

The Equity Shares of your Company are listed at The BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

Stock Exchange(s) where HCL Infosystems Ltd. shares are listed	Scrip Symbol/ Code
National Stock Exchange of India Limited (NSE)	HCL-INSYS
BSE Limited (BSE)	500179

The Company has paid the listing fee for the year 2022-2023 to BSE and NSE.

Directors and Key Managerial Personnel (KMP)

During the year under review, Mr. Dilip Kumar Srivastava, Non- Executive and Non-Independent Director of the Company resigned from the directorship of the Company w.e.f. the closing hours of 31st March 2022 to pursue other passion.

To fill the vacancy caused by his resignation, the Board of Directors has appointed Mr. Neelesh Agarwal as an additional director designated as Non- Independent and Non- Executive Director w.e.f. 1st April 2022, subject to the approval of shareholders. The Company received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for appointment as a Non-Executive Director of the Company.

Mr. Kapil Kapur, the CFO of the Company resigned from the position of CFO of the Company w.e.f. 31st May 2021. The Board of Directors appointed Mr. Alok Sahu as the CFO of the Company w.e.f. 1st June 2021.

Mr. Vinod Pulyani had been appointed as the Manager of the Company w.e.f. 29th September 2020 subject to the approval of the shareholders in the next Annual General Meeting. He subsequently resigned from the position of the manager of the Company w.e.f. the closing hours of 30th April 2021. The Board of Directors has appointed Mr. Raj Kumar Sachdeva as the Manager of the Company w.e.f. 1st May 2021.

Further, Mr. Sushil Kumar Jain, the Company Secretary of the Company superannuated w.e.f. the closing hours of 31st March 2021. To fill the Vacancy caused by superannuation of Mr. Jain, the Board of Directors appointed Ms. Komal Bathla as the Company Secretary and Compliance Officer of the Company w.e.f. 1st April 2021.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pawan Kumar Danwar, retires from office by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. A brief resume, details of expertise and other directorships/committee memberships held by the above Director, form part of the Notice convening the Thirty Sixth Annual General Meeting.

In terms of the provision of Section 149, 152(6) and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office up to a term of five consecutive years on the Board of the Company and shall not be liable to retire by rotation.

Committees of Board

Currently, the Board has 5 (Five) Committees: Accounts and Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Finance Committee. A detailed note on Committees is provided in the Corporate Governance Report forms part of the Annual Report.

Composition of Accounts and Audit Committee

The composition of the Accounts and Audit Committee are given below:

Name	Category
Mr. Kaushik Dutta (Chairman)	Independent & Non-executive
Dr. Nikhil Sinha (Member)	Independent & Non-executive
Ms. Sangeeta Talwar (Member)	Independent & Non-executive
Ms. Ritu Arora (Member)	Independent & Non-executive

The Board had accepted all the recommendations of the Accounts and Audit Committee of the board during the financial year 2021-22.

Manner & Criteria of formal annual evaluation of Board's performance and that of its Committees and Individual Directors

Pursuant to the provisions of Section 178 and 134 read with Schedule IV of the Companies Act, 2013 and Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors conducted a formal annual performance evaluation of its own performance, the Committees of the Board, and each individual Director.

The Company had appointed an external agency to initiate the online board evaluation of the Board, Committees and individual Directors including Independent Directors, as per the assessment criteria and norms designed by the Company's Human Resource Department. The report content and quality were reviewed by an Independent HR consultant, who shared the results with the Board Chairman – Dr. Nikhil Sinha.

Independent Directors in their separate meeting held on 25th March 2022 have reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

Criteria/Policy on Appointment and Remuneration

The Company believes that a diverse Board will be able to leverage different skills, qualifications, professional experiences which is necessary for achieving sustainable and balanced development. In accordance with the provisions of Section 178 of the Companies Act, 2013 and Part D of Schedule II of the Listing Regulations, the Company has adopted the policy on Nomination and Remuneration of Directors (Executive, Non-Executive and Independent), Key Managerial Personnel (KMPs), Senior Management and other Employees of your Company. The policy specifies the criteria for appointment of Directors and Senior Management and their remuneration and for determining qualifications, positive attributes and independence of a director. The policy is available on the website of the Company and can be assessed at:

https://hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration-policy.pdf

Board Meetings

During the financial year 2021-22, 7 (Seven) Board Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The details of Board Meetings held are stated in the Corporate Governance Report which forms part of the Annual Report.

Corporate Social Responsibility (CSR)

The Company has a policy on CSR which includes the major area in which the Company engages itself with the CSR activities/projects and the manner of implementation and monitoring the activities/projects, which is available on the Company's website at the following web link:

https://hclinfosystems.in/wp-content/uploads/2021/05/CSR-Policy.pdf

As per the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder as amended, the Company has duly constituted the CSR Committee. The Composition of CSR Committee is as follows:

Name	Category
Ms. Sangeeta Talwar (Chairperson)	Independent & Non-executive
Mr. Pawan Kumar Danwar (Member)	Non-Independent & Non-executive
Mr. Dilip Kumar Srivastava* (Member)	Non-Independent & Non-executive
Mr. Neelesh Agarwal** (Member)	Non-Independent & Non-executive

*Mr. Dilip Kumar Srivastava resigned from directorship of the Company w.e.f. closing hours of 31st March 2022.

**Mr. Neelesh Agarwal appointed as member of the Committee w.e.f. 1st April 2022.

Since the Company has incurred losses, computed as per provisions of section 198, during the last three years, the Company was not required to spend any amount on CSR during the financial year 2021-22. A report on Corporate Social Responsibility (CSR) is attached as Annexure - A to this Report.

Corporate Governance

The Company is committed to adhere to best corporate governance practices. The separate sections on Management Discussion and Analysis, Corporate Governance, and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate

Governance as stipulated under SEBI Listing Regulations, 2015 form part of this Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, and based on the representations received from the operating management, the Directors hereby confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on the financial year ended 31st March 2022 and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

Particulars of Employees and related disclosures

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year: NA*

* No remuneration has been paid to any director during the year

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Manager, Company Secretary in the financial year:

S. No.	Name	Desig-nation	Remuneration paid(2021-22)*	Percentage increase
1	Mr. Kapil Kapur	Chief Financial Officer	14,17,035**	NA**
2	Mr. Alok Sahu	Chief Financial Officer	84,14,027***	NA***
3	Mr. Vinod Pulyani	Manager	-****	NA****
4	Mr. Raj Kumar Sachdeva	Manager	64,37,077 *****	NA*****
5.	Ms. Komal Bathla	Company Secretary	13,61,851******	NA******

* Includes variable & incentives

** Mr. Kapil Kapur resigned from the position of Chief Financial Officer of the Company w.e.f. 31st May 2021

*** Mr. Alok Sahu was appointed as Chief Financial Officer of the Company w.e.f. 1st June 2021.

**** Mr. Vinod Pulyani received remuneration from HCL Corporation Private Limited and resigned from the position of Manager of Company w.e.f. 30th April 2021

***** Mr. Raj Kumar Sachdeva was appointed as Manager of the Company w.e.f. 1st May 2021.

****** Ms. Komal Bathla was appointed as Company Secretary of the Company w.e.f. 1st April 2021.

(c) The percentage increase in the median remuneration of employees in the financial year:

There was increase of 14.8% in the median remuneration of the employees in the financial year 2021-22 as the Company is scaling down its businesses due to which there were minimal hirings and there were more exits in the employees below the median.

(d) The number of permanent employees on the rolls of Company:

The number of permanent employees on the rolls of the Company at the end of the financial year was 179.

(e) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increases in the salaries of employees in the FY 2021-22 was 7%.

Manager of the Company was appointed w.e.f. 1st May 2021.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Annual Report is being sent to the members of the Company and others entitled thereto, excluding the information under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended. Any member interested in obtaining the said information may write to the Company Secretary at the registered office of the Company.

Particulars of Loans, Guarantees or Investments

The Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and relevant rules thereunder are given in the notes to the Financial Statements.

Related Party Transactions

All the related party transactions entered by the Company were in the ordinary course of business and at arm's length basis. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions which requires disclosure in Form AOC-2. The Company has employed an external firm of Chartered Accountants to review and evaluate the basis of such agreements and opine on their fairness.

The Company has formulated a Policy on dealing with related party transactions which is also available on the website of the Company at the following web link:

https://www.hclinfosystems.in/wp-content/uploads/2016/09/Related-Party-transaction_policy.pdf

Internal Control Systems and their adequacy

The Company has put in place controls commensurate with the size and nature of operations. These have been designed to provide reasonable assurance with regards to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance with corporate policies.

The company has an internal audit function designed to review the adequacy of internal control checks in the system which covers all significant areas of the Company's Operations such as Accounting and Finance, Procurement, Business Operations, Statutory compliances, IT Processes, Safeguarding of Assets and their protection against unauthorized use, among others. The Internal Audit function performs the internal audit of the Company's activities based on the Internal audit plan, which is reviewed each year and approved by the Board Audit Committee. The Audit Committee reviews the reports submitted by internal auditors. Suggestions for improvements are considered and the Audit Committee follows up on corrective action. Disciplinary action is taken, wherever required, for non-compliance to corporate policies and controls.

Adequacy of Internal Financial control with respect to Financial Statements

The Company has in place adequate Internal Financial Controls with respect to financial statements. No material weakness in the design or operation of such controls was observed during the year.

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, The Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and employee to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Chairman of the Audit Committee.

The said Policy is posted on the website of the Company and can be assessed at:

https://www.hclinfosystems.in/wp-content/uploads/2016/09/Whistleblower_Policy_new.pdf

Risk Management Policy

The Board of the Company has adopted a risk management policy for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis, including aligning the internal audit functions to areas of key risks.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this annual report as a separate section.

Auditors & Auditors' Report

Statutory Auditors

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in its 31st Annual General Meeting held on September 14, 2017 approved the appointment of M/s BSR & Associates LLP, Chartered Accountants (FRN – 116231W/ W-100024), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 31st Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company.

The Report given by M/s BSR & Associates LLP, Chartered Accountants on the financial statements of the Company for the financial year 2021-22 is part of the Annual Report. There was no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act.

Secretarial Audit Report

The secretarial audit as per Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was carried out by M/s. V K C & Associates, Practicing Company Secretaries for the financial year 2021-22. The Report given by the Secretarial Auditor of the Company and its material subsidiary HCL Infotech Limited forms an integral part of this Board's Report. The Secretarial Auditor during the audit has mentioned the following instance as mentioned below:

"a delay of two (2) days in providing prior intimation given on 29th October, 2021 to Stock Exchanges (NSE and BSE) under regulation 29(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, for Board Meeting scheduled on 2nd November 2021 in which the financial results of the Company for quarter ended 30th September 2021 was enlisted for discussion and approval. Consequently, the stock exchanges have issued the notices for such delay under the provision of Standard Operating Procedure (SOP) and imposed a penalty of ₹ 10,000/- plus GST amounting to ₹11,800 respectively. We are informed by the management that the Company has paid the penalty to both the Stock Exchange and such no further comments"

In this regard it is clarified that the Company had compounded by payment of fee to NSE/BSE under Standard Operating Procedures (SOP) guidelines of SEBI. The Stock exchange letters were placed before the Board and Board noted the same.

During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act. In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Accounts & Audit Committee recommended, and the Board of Directors appointed M/s. V K C & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company in relation to the financial year 2022-23. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards as issued and amended by the Institute of Company Secretaries of India (ICSI), from time to time.

Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under the Companies (Accounts) Rules, 2014.

A) Conservation of energy-

(i) the steps taken or impact on conservation of energy; Your Company has executed measures to reduce power consumption. As per Company's requirement, some of our office premises were vacated resulting into saving of approximately Rs. 3.53 Lakh units of electrical energy during the whole financial year 2021-2022.

(ii) the steps taken by the company for utilizing alternate sources of energy; NA

(iii) the capital investment on energy conservation equipment's; NA

B) Technology absorption-

(i) the efforts made towards technology absorption- Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution- Nil

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

(a) the details of technology imported- NA

(b) the year of import; NA

(c) whether the technology been fully absorbed- NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof- NA and

C) The expenditure incurred on Research and Development: NIL

D) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow:

(In Crores)

Particulars	Amount for F.Y. 2021-22
Foreign exchange earnings	0.50
Foreign exchange Outgo	3.16

Consolidated Financial Statement

In accordance with the Companies Act, 2013 ('the Act') and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Subsidiaries/Associates/JVs and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

Subsidiaries, Joint Ventures and Associate Companies

During the year under review there is no change in the subsidiaries, Joint Ventures and Associate Companies of the Company

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiaries Companies and Joint Venture in Form AOC-1 forms part of this Annual report

Annual Return

Pursuant to the provisions of Section 134(3)(a) r/w/ Section

92(3) of the Act, the Annual Return is put up on the Company's website and can be accessed at:

https://www.hclinfosystems.in/wp-content/uploads/2022/05/MGT-7-2021-22.pdf

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more have also been transferred to the demat account created by the IEPF Authority.

There was no unclaimed and unpaid dividend amount / the corresponding shares which were due to be transferred to IEPF/ IEPF suspense account during the FY 2021-22.

General

The Board of Directors of the Company state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
4. There was no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
5. Details of the Employees Stock Option Scheme Section as required under Section 62(1)(b) of the Act read with rule 12(9) of Companies (Share capital and debentures) Rules,2014.
6. There is no change in the nature of the business of the Company
7. The company is not required to maintain cost records as per sub section (1) of Section 148 of the Companies Act, 2013.
8. No application was made or pending against the Company under Insolvency and Bankruptcy Code, 2016 (IBC).

Acknowledgements

The Directors place on record their appreciation for the continued co-operation extended by all stakeholders including various departments of the Central and State Government, Shareholders, Investors, Bankers, Financial Institutions, Customers, Dealers and Suppliers.

The Board also places on record its gratitude and appreciation of the committed services of the executives and employees of the Company.

On behalf of the Board of Directors

Nikhil Sinha
(Chairman)

Place: Noida
Date: 28th May 2022

Annual Report On Corporate Social Responsibility Activities

1. **Introduction (Brief outline on CSR Policy of the Company)**

   Corporate Social Responsibility (CSR) at HCL Infosystems Limited ("the Company") is formulated keeping the view to create values with stakeholder and communities.

2. **Composition of CSR committee:**

   The composition of the committee is as under:

S. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the financial year 2021-22	Number of meetings of CSR Committee attended during the financial year 2021-22
1	Ms. Sangeeta Talwar (Chairperson)	Independent & Non- Executive Director	Not Applicable	Not Applicable
2	Mr. Pawan Kumar Danwar (Member)	Non-Independent & Non- Executive Director	Not Applicable	Not Applicable
3	Mr. Dilip Kumar Srivastava (Member)*	Non-Independent & Non- Executive Director	Not Applicable	Not Applicable
4	Mr. Neelesh Agarwal (Member)**	Non-Independent & Non- Executive Director	Not Applicable	Not Applicable

   *Mr. Dilip Kumar Srivastava resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

   **Mr. Neelesh Agarwal appointed as member of the Committee w.e.f. 1st April, 2022

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   The Composition of CSR committee can be accessed at: https://hclinfosystems.in/meet-the-team/

   The CSR policy can be accessed at: https://hclinfosystems.in/wp-content/uploads/2021/05/CSR-Policy.pdf

   As the average profit for the last three financial years of the Company, computed as per provisions of section 198, was negative, therefore the board of directors were not required to approve any CSR projects.

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Not Applicable			

6. **Average net profit of the company for last three financial years:**

   The average profit for last three financial years is Negative

7. (a) **Two percent of average net profit of the company as per section 135(5)**: Not applicable

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years**: Not Applicable

   (c) **Amount required to be set off for the financial year 2021-22**: Not Applicable

   (d) **Total CSR obligation for the financial year** (7a+7b+7c): Not Applicable

8. (a) **CSR amount spent or unspent for the financial year 2021-22:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not Applicable					

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year 2021-22:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation -Direct(Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR Registration number
Not Applicable									

(d) **Amount spent in Administrative Overheads**: Not Applicable

(e) **Amount spent on Impact Assessment, if applicable**: Not Applicable

(f) **Total amount spent for the Financial Year 2021-22(8b+8c+8d+8e)**: Not Applicable

(g) **Excess amount for set off**: Not Applicable

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding FinancialYear	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year 2021-22 for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**
    (a) Date of creation or acquisition of the capital asset(s)- Not Applicable
    (b) Amount of CSR spent for creation or acquisition of capital asset- Not Applicable
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)- Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

Mr. Pawan Kumar Danwar
Director

Ms. Sangeeta Talwar
Chairperson (CSR Committee)

Date: 28th May, 2022
Place: Noida

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company, while upholding the core values of transparency, integrity, honesty and accountability, and help the Company in its goal to maximize value for all its stakeholders.

The Company adopts and adheres to the best recognized corporate governance practices and continuously strives to better them.

The Company is in compliance with the requirements of the guidelines on corporate governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS:

(i) As on 31st March 2022, the Board of Directors of the Company comprises six Directors, out of which, four are Independent Directors, including two women Directors. The composition of the Board is in conformity with Regulation 17(1) and 17(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Dilip Kumar Srivastava, Non- Independent and Non-Executive Director of the Company, resigned w.e.f. closing hours of 31st March 2022 to pursue other passion.

(ii) None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees as specified in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the public companies in which he is a director. Necessary disclosures regarding Committee position in other public companies as on 31st March 2022 have been made by the Directors.

(iii) All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.

(iv) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2021–22 and the last Annual General Meeting, and the number of directorship and committee chairmanship/membership held by them in other public companies is given below. Other directorship does not include that of private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013. Chairmanship/membership of Board Committees includes only Audit Committee and Stakeholders' Relationship Committee.

Names	Category	No. of Board Meetings during 2021–22		Whether attended last AGM held on 22nd September, 2021	No. of Directorships in other public companies as on 31st March, 2022	Name of other listed company and the category of Directorship as on 31st March, 2022	No. of Committee positions held in other public companies as on 31st March, 2022	
		Held	Attended				Chairman	Member
Dr. Nikhil Sinha (Chairman)	Independent & Non-executive Director	7	6	Yes	3	-	-	-
Mr. Kaushik Dutta	Independent & Non-executive Director	7	7	Yes	7	1. New Delhi Television Limited (Independent Director) 2. Newgen Software Technologies Limited (Independent Director) 3 PB Fintech Limited (Independent Director) 4 Zomato Limited (Independent Director)	4	7

Names	Category	No. of Board Meetings during 2021–22		Whether attended last AGM held on 22nd September, 2021	No. of Directorships in other public companies as on 31st March, 2022	Name of other listed company and the category of Directorship as on 31st March, 2022	No. of Committee positions held in other public companies as on 31st March, 2022	
		Held	Attended				Chairman	Member
Ms. Ritu Arora	Independent & Non-executive Director	7	7	Yes	4	-	-	2
Ms. Sangeeta Talwar	Independent & Non-executive Director	7	7	Yes	6	1. TCNS Clothing Co. Limited (Independent Director) 2. Castrol India Limited (Independent Director) 3. Mahindra Holidays & Resorts India Limited (Independent Director)	1	6
Mr. Dilip Kumar Srivastava*	Non-independent & Non-executive Director	7	7	Yes	3	-	-	-
Mr. Pawan Kumar Danwar	Non-independent & Non-executive Director	7	7	Yes	1	-	-	-

*Mr. Dilip Kumar Srivastava, resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

Mr. Neelesh Agarwal appointed as Additional Director, designated as Non-Independent and Non-Executive Director, w.e.f. 1st April, 2022

(v) Seven Board Meetings were held during the financial year 2021–22 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

21st April, 2021	14th June, 2021	25th June, 2021
06th August, 2021	2nd November, 2021	8th February, 2022
25th March, 2022		

(vi) Inter-se Relationship among Directors: none of the Director is a relative of other Director(s).

(vii) Necessary information as mentioned in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for their consideration.

Some of the items discussed at the Board/Board Committees meetings are listed below:

a. Annual operating plans and budgets and all updates.

b. Capital budgets and all updates.

c. Quarterly results for the Company and its operating divisions or business segments.

d. Minutes of meetings of audit committee and other committees of the Board.

e. The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or resignation of the chief financial officer and the company secretary

f. Show cause, demand, prosecution notices and penalty notices which are materially important.

g. Sale of investments, subsidiaries which are material in nature and not in normal course of business

h. Quarterly details of foreign exchange exposures and steps taken by the management to limit the risks of adverse exchange rate movement, if material.

i. Discussion and review of Business Operations.

j. Advancement of inter-corporate loan to subsidiaries, if any.

k. Issue of corporate guarantees(s) on behalf of subsidiaries, if any.

l. Minutes of meetings of Board of Directors of subsidiary companies.
m. Review of operations of subsidiary companies.
n. Review of related party transactions.
o. Review of statutory compliances.

3. COMMITTEES OF THE BOARD

(i) ACCOUNTS AND AUDIT COMMITTEE:

a. The Accounts and Audit Committee of the Company was constituted in August' 1998.
b. The Committee is governed by a Charter.
c. The brief description of the terms of reference of the Audit Committee inter-alia include the following:
    1. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment and, if required, the replacement or removal of the auditors of the Company.
    2. Approval of payment to statutory auditors for any other services rendered by them.
    3. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
    4. To review and monitor the auditor's independence and performance, and effectiveness of audit process.
    5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
        - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report under Companies Act, 2013.
        - Changes, if any, in accounting policies and practices and reasons for the same.
        - Major accounting entries involving estimates based on the exercise of judgement by management.
        - Significant adjustments made in the financial statements arising out of audit findings.
        - Compliance with listing and other legal requirements related to financial statements.
        - Disclosure of any related party transactions.
        - modified opinion(s) in the draft audit report.
    6. Review, with the management, the quarterly financial statements before submission to the Board for approval.
    7. Examination of the financial statements and the auditors' report thereon.
    8. Evaluation of internal financial controls and risk management systems.
    9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
    10. Reviewing and monitoring, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
    11. Approval or any subsequent modification of transactions of the company with related parties.
    12. Scrutiny of inter-corporate loans and investments.
    13. Valuation of undertakings or assets of the Company, wherever necessary.
    14. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
    15. Discussion with internal auditors of any significant findings and follow-up thereon.
    16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
    17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower mechanism.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.
21. The Audit Committee shall mandatorily review the following information:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - Management letters/letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of the Chief internal auditor.
    - statement of deviations:
      (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
      (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
22. To perform any other function as may be assigned by the Board from time to time.

d. The composition, powers, roles and the terms of reference of the Committee are in terms of the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Committee members have reasonable knowledge of finance and accounting, and two members possess financial and accounting expertise.

e. The composition of the Accounts and Audit Committee and details of meetings attended by its Chairman/ members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kaushik Dutta (Chairman)	Independent & Non-executive	9	9
Dr. Nikhil Sinha(Member)	Independent & Non-executive	9	8
Ms. Ritu Arora(Member)	Independent & Non-executive	9	9
Ms. Sangeeta Talwar(Member)	Independent & Non-executive	9	9

f. The Audit Committee met Nine times during the financial year 2021-22 on the following dates:

21st April 2021	14th June 2021	25th June 2021
6th August 2021	17th August 2021	2nd November 2021
13th December 2021	8th February 2022	25th March 2022

g. The previous Annual General Meeting of the Company was held on 22nd September 2021 and it was attended by the Chairman of the Committee.

h. The Company Secretary of the Company acts as Secretary to the Committee.

i. The Board had accepted all the recommendations of the Audit committee of the board, which was mandatorily required, during the financial year 2021-22

(ii) NOMINATION AND REMUNERATION COMMITTEE:

a. The Nomination & Remuneration Committee was constituted in August 1998.

b. The Committee is governed by a Charter.

c. The brief description of the terms of reference of the Committee inter alia includes:

Charter of the Committee:

The purpose of the Committee is to:

1. Manage the following set of activities with respect to members of the Board of Directors of the Company:

- Appointment of Directors
  - Formulate the criteria for determining qualification, positive attributes and independence of Directors
  - Review and recommend potential candidates to the Board for appointment with due consideration to Board diversity
- Evaluation of performance of the Directors of the Board
  - Establish criteria for evaluation of Director's performance
  - Conduct evaluation and submit the report to the Chairman of the Board (if necessary, the Committee may seek external consulting assistance in this matter)
- Remuneration of Directors including Executive and Non-executive Directors
  - Recommend policy for approval by the Board

2. Manage the following set of activities with respect to key managerial personnel viz., Executive Directors, Managing Director, Chief Executive Officer (CEO)/Manager, Chief Financial Officer (CFO), Company Secretary of the Company and in future, such persons as recommended by the Board:
   - Establish and review the performance scorecard for key managerial personnel for each financial year
   - Review and recommend compensation, incentive and bonus plans for MD/CEO/Manager and other key managerial personnel based on performance evaluation outcomes
   - The committee should also review, guide, and finalize succession planning for key managerial personnel
3. Manage the following set of activities with respect to the senior management of the Company:
   - Review the performance scorecard for the senior management for each financial year
   - Review and recommend to the Board the compensation, incentive, and bonus plans for the senior management as proposed by the HR Head/Manager/CFO based on his / her evaluation of the performance outcomes of the senior management
   - The Committee should also review, guide, and finalize succession planning for senior management
4. Other activities:
   - Wherever considered necessary, the committee may review matters such as Organizational Structure, HR Charter, proposal from the HR Head/Manager/CFO on annual compensation plan, pay hikes and budgets across organization for all employees globally etc.
   - In case considered appropriate the Board may recommend a review of any other areas considered critical to performance of Business

d. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its chairman/members are given below:

Name	**Category**	**No. of Meetings**	
		Held	**Attended**
Ms. Sangeeta Talwar (Chairperson)	Independent & Non-executive	6	6
Dr. Nikhil Sinha (Member)	Independent & Non-executive	6	5
Mr. Dilip Kumar Srivastava*(Member)	Non-independent & Non-executive	6	6
Mr. Pawan Kumar Danwar**(Member)	Non-independent & Non-executive	NA	NA

*Mr. Dilip Kumar Srivastava, resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

**Mr. Pawan Kumar Danwar appointed as member of committee w.e.f. 1st April, 2022

e. The Committee met Six times during the financial year 2021-22 on the following dates:

21st April, 2021	25th June 2021	6th August 2021
02nd November, 2021	8th February, 2022	25th March, 2022

f. The Board had accepted all the recommendations of the Nomination and Remuneration Committee, which was mandatorily required, during the financial year 2021-22

g. **Compensation policy for Non-executive Directors (NEDs):**

Within the ceiling of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013 and after obtaining the approval of the shareholders, the Non-executive Directors are paid a commission, the amount whereof is determined based on the policy adopted by the Company laying down the criteria relating to their positions on the Board and the various Board Committees. However, in view of the losses incurred by the Company during the year ended 31st March 2022, no commission be paid to Non-executive Directors for the year ending 31st March 2022.

These Directors are also paid sitting fees at the rate of ₹ 75,000 for attending each meeting of the Board and the Board Committees. The sitting fees are paid to the Independent Directors.

h. **Details of remuneration paid / payable to all the Directors for the period from 1st April 2021 to 31st March 2022**

(₹/lakh)

Name	Salary & Allowances	Perquisites	Performance Linked Bonus	Commission	Sitting Fees
Dr. Nikhil Sinha	NIL	NIL	NIL	NIL	15.00
Mr. Dilip Kumar Srivastava*	NIL	NIL	NIL	NIL	NIL
Mr. Pawan Kumar Danwar	NIL	NIL	NIL	NIL	NIL
Ms. Sangeeta Talwar	NIL	NIL	NIL	NIL	20.25
Mr. Kaushik Dutta	NIL	NIL	NIL	NIL	16.50
Ms. Ritu Arora	NIL	NIL	NIL	NIL	16.50
Total	**NIL**	**NIL**	**NIL**	**NIL**	**68.25**

*Mr. Dilip Kumar Srivastava, resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

The above remuneration excludes reimbursement of expenses on actual to the Directors for attending meetings of the Board/Committees.

i. **Details of stock options issued to Directors:**

The Company has not granted any options to any of the Director of the Company.

j. **Period of contract of Executive Director:**

The Company does not have any Executive Director on the Board.

k. There were no pecuniary relationships or material, financial and commercial transactions of the Non- executive Directors and the senior management vis-à-vis the company.

l. As on 31st March 2022, Mr. Kaushik Dutta was holding 4,000 shares in the Company. No other Director was holding any shares of the Company as on 31st March 2022.

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. The Stakeholders Relationship Committee was constituted to oversee and review all matters connected with the transfer and transmission of shares of the Company and the matters related thereto and redressal of shareholders/investors' complaints.

b. The role of the committee shall inter-alia include the following:

1. To Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. To review the communication received from shareholders and how the issues has been addressed by the Company/RTA.
3. To approve share transfers or delegate the same to an officer or a committee or to the registrar and share transfer agent who will attend to share transfer formalities at least once in a fortnight.
4. To authorize RTA to have frequent meeting for transfer of shares in physical form submit the report to the Company on share transferred, rejection cases of transfer.
5. To review and approve to release new share certificates without surrender of the corresponding old share certificates which are reported lost and not traceable and to transmit the shares, if requested.
6. To review the details of shareholders and shareholding on periodical basis and report in the Stakeholders Relationship Meeting.

7. To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and note the Certificate issued by the RTA of the Company on various compliances related to maintenance of shareholders data and connected matters like share like transfer, split, dematerialization, re-materialization etc.
8. To review the shareholding pattern including change in shareholding of promoters, if any.
9. To review the details of dealing in shares by Directors/Designated Employees.
10. Review of measures taken for effective exercise of voting rights by shareholders.
11. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

c. The composition of the Stakeholders Relationship Committee and the details of meetings attended by its Chairperson/members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Ms. Sangeeta Talwar (Chairperson)	Independent & Non-executive	4	4
Mr. Pawan Kumar Danwar(Member)	Non-independent & Non-executive	4	4
Mr. Dilip Kumar Srivastava*(Member)	Non-independent & Non-executive	4	4
Mr. Neelesh Agarwal**(Member)	Non-independent & Non-executive	NA	NA

*Mr. Dilip Kumar Srivastava, resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

**Mr. Neelesh Agarwal appointed as member of committee w.e.f. 1st April, 2022

d. The Committee met four times during the financial year 2021–22 on the following dates:

25th June, 2021	06th August, 2021	2nd November, 2021
8th February, 2022		

e. Name, designation, and address of Compliance Officer:

Ms. Komal Bathla
Company Secretary and Compliance Officer
HCL Infosystems Limited
A-11, Sector 3,
NOIDA (U.P.) – 201301
Tel: 0120-2526490
Fax:91 1202523791

f. Investor Grievances / Complaints

The details of the Investor Complaints during the Financial Year ended 31st March 2022 are as follows:

Opening Balance	Number of shareholders' complaints received	No. of Complaints Resolved	Number not solved to the satisfaction of shareholders	Number of pending complaints.
0	1	1	0	0

(iv) OTHER COMMITTEES

a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. In compliance with Section 135 of Companies Act, 2013, Corporate Social Responsibility Committee was constituted in the year 2014.
2. The Committee is governed by a Charter.
3. The terms of reference of the Committee inter alia includes:
   - To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company.
   - To recommend the amount of expenditure to be incurred on the activities referred above.

- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To undertake such other activities as it may deem expedient to discharge its functions or which can be assigned to it by the Board of Directors from time to time.

4. The composition of the Corporate Social Responsibility Committee is given below:

Name	Category
Ms. Sangeeta Talwar (Chairperson)	Independent & Non-executive
Mr. Pawan Kumar Danwar(Member)	Non-Independent & Non-executive
Mr. Dilip Kumar Srivastava*(Member)	Non-Independent & Non-executive
Mr. Neelesh Agarwal**(Member)	Non-Independent & Non-executive

*Mr. Dilip Kumar Srivastava, resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

**Mr. Neelesh Agarwal appointed as member of committee w.e.f. 1st April, 2022

Since the Company has incurred losses, computed as per provisions of section 198, during the last three years, the Company was not required to spend any amount on CSR during the financial year 2021-22. Therefore, no meeting of CSR Committee was conducted during the financial year 2021–22.

b. FINANCE COMMITTEE

1. The Company constituted a Committee of Director in 1999 and renamed as Finance Committee in 2011.
2. The Committee is governed by a Charter.
3. The terms of reference of the Committee inter alia includes: -
   - Capital structure plans and specific equity and debt financings.
   - Review the Corporate Guarantee/bonds provided by the Company either directly or through banks in connection with the Company’s business, to any third parties and recommend to the Board.
   - Approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
   - The Committee shall review annual budgets and other financial estimates and provide its recommendations to the Board.
   - The Committee shall on a quarterly basis review the actual performance of the Company against the plans.
   - Capital expenditure plans and specific capital projects
   - Evaluate the performance of and returns on approved capital expenditure
   - Customer financing
   - Mergers, acquisitions, buy backs, demerger and divestitures
   - Evaluate the performance of acquisitions
   - Fresh/further Investment in subsidiaries / JVs / Branches
   - Evaluate the performance of subsidiaries / JVs / branches
   - Plans and strategies for managing the foreign exchange exposure
   - Investment of surplus funds
   - The Committee shall recommend dividend policy to the Board.
   - Insurance coverage and program
   - Perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.
   - Delegate authorities from time to time to the executives/authorized persons to implement the decisions of the Committee within the powers authorized above
   - Review of the total BG issued V/s BG Limits

4. The composition of the Finance Committee and the details of meetings attended by its chairperson/ members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kaushik Dutta (Chairperson)	Independent & Non-executive	5	5
Mr. Pawan Kumar Danwar (Member)	Non-Independent & Non-executive	5	5
Ms. Ritu Arora (Member)	Independent & Non-executive	5	5

5. The board had accepted all the recommendations of the Finance Committee, which was mandatorily required, during the financial year 2021-22.

4. Independent Directors' Meeting

During the year under review, the Independent Directors' meeting was conducted on 25th March 2022, to discuss the following:

a. review the performance of Non-independent Directors and the Board as a whole

b. review the performance of the Chairman of the Company, taking into account the views of Non-executive Directors

c. assess quality, quantity, and timeliness of flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably

All Independent Directors attended the meeting.

5. Familiarization Programme for Independent Directors

During the year under review, no Independent Director was inducted on the Board of the company. Apart from this, the Company frequently organizes familiarization programme to update the Independent Directors on the business and operations of the company.

The details of such familiarization programmes are posted on the website of the company and can be accessed at

https://hclinfosystems.in/wp-content/uploads/2016/09/Familiarisation_programme_For_Independent_Directors-1.pdf

6. Key Board Skills, Expertise and Competence

The Company's Board comprises qualified members with required skills, expertise and competence that allow them to make contributions to the Board and its Committees.

In the table below, the specific areas of expertise/skills/competence of individual Board members have been highlighted. However, the absence of mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

S. No	Area of Expertise/ skills/competence	Dr. Nikhil Sinha	Mr. Kaushik Dutta	Ms. Sangeeta Talwar	Ms. Ritu Arora	Mr. Pawan Kumar Danwar	Mr. Neelesh Agarwal
1	**Strategy** (Experience in developing and implementing business strategy)	✓	✓	✓	✓	✓	✓
2	**Leadership** (Leadership experience and corporate leadership positions held)	✓	✓	✓	✓	✓	✓
3	**Financial and Risk Management** (Experience in financial accounting, corporate finance, risk management and internal controls)	✓	✓	✓	✓	✓	✓

S. No	Area of Expertise/ skills/competence	Dr. Nikhil Sinha	Mr. Kaushik Dutta	Ms. Sangeeta Talwar	Ms. Ritu Arora	Mr. Pawan Kumar Danwar	Mr. Neelesh Agarwal
4	**Governance and Board** (Experience as corporate Board member or membership of industry or other governance bodies)	✓	✓	✓	✓	✓	✓
5	**Technology** (Significant background in or knowledge of technology including its impact on business models and strategy)	✓	-	-	-	-	-

Note: Mr. Dilip Kumar Srivastava, resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022

Mr. Neelesh Agarwal appointed as additional director of the Company w.e.f. 1st April 2022

7. APPOINTMENT AND REMUNERATION POLICY OF DIRECTORS, SENIOR MANAGEMENT AND OTHER EMPLOYEES

The Company believes that a diverse Board will be able to leverage different skills, qualifications, professional experiences which is necessary for achieving sustainable and balanced development. In accordance with the provisions of Section 178 of the Companies Act, 2013 and Part D of Schedule II of the Listing Regulations, the Company has adopted the policy on nomination and remuneration of Directors (Executive, Non-executive and Independent), key managerial personnel (KMP), senior management and other employees of the Company. The policy also specifies the criteria for determining qualifications, positive attributes, and independence of a Director. The policy is available on the website of the Company and can be accessed at

https://hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration-policy.pdf

8. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors conducted a formal annual performance evaluation of its own performance, the Committees of the Board, and each individual Director.

The Company had appointed an external agency to initiate the online board evaluation of the Board, Committees and individual directors including independent directors, as per the assessment form designed in-house by the Company's Human Resource Department. The report content and quality were reviewed by an Independent HR consultant, and she shared the results with the Board Chairman – Dr. Nikhil Sinha.

Independent Directors in their separate meeting have reviewed the performance of non-independent directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

9. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT:

The Company has adopted a comprehensive code of conduct for its directors and senior management, which lays the standards of business conduct, ethics, and governance.

The Code has been circulated to all the members of the Board and senior management and they have affirmed compliance of the same.

10. UNLISTED SUBSIDIARY COMPANIES:

The Company has six unlisted subsidiaries as on 31st March 2022 as under:

S.No.	Name of the Company	Date of Incorporation / Acquisition
1.	Digilife Distribution and Marketing Services Limited	19th March, 2008
2.	HCL Learning Limited	28th September, 2012
3.	HCL Infotech Limited	28th September, 2012
4.	Pimpri Chinchwad eServices Limited	21st September 2010
5.	HCL Investments Pte. Limited, Singapore	29th November, 2010
6.	Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE, Dubai) (acquired)	4th July, 2010

The Audit Committee reviewed the financial statements of the unlisted subsidiary companies. The Minutes of the Board and Committee meetings of the unlisted subsidiary companies are regularly placed before the Board. The Board also reviewed the statement of all significant transaction and arrangement entered by the unlisted subsidiary companies. Presently, the company is having a policy on material subsidiaries which is posted on the website of the Company and can be accessed at https://hclinfosystems.in/wp-content/uploads/2019/04/Materail-subsidiary-policy.pdf

11. RELATED PARTY TRANSACTIONS

All the related party transactions as defined under the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered during the financial year 2021–22 were in the ordinary course of business and at arm's length. The Audit Committee has approved all the related party transactions for the financial year 2021–22. The Company has not entered any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a Related Party Transactions Policy in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. The said policy is posted on the website of the Company and can be accessed at https://hclinfosystems.in/wp-content/uploads/2016/09/Related-Party-transaction-policy.pdf

All related party transactions are placed before the Audit Committee and the Board for approval.

12. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had adopted a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Chairman of the Audit Committee. The said Policy is posted on the website of the company and can be assessed at https://hclinfosystems.in/wp-content/uploads/2016/09/Whistleblower_Policy_.pdf

13. GENERAL BODY MEETINGS:

(i) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Mode/Location
2020-21	22nd September, 2021	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)
2019-20	29th September, 2020	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)
2018–19	16th September, 2019	10:00 a.m.	Kamani Auditorium, 1, Copernicus Marg, New Delhi- 110001

(ii) The special resolutions which were passed at the last three AGMs are as follows:

AGM held on 22nd September 2021

- Appointment of Mr. Raj Kumar Sachdeva as Manager of the Company
- Confirmation for appointment of Mr. Vinod Pulyani as Manager of the Company

AGM held on 29th September 2020

- Re-appointment of Ms. Ritu Arora (DIN: 07019164) as an Independent Director.
- Authorization to sell certain properties held in the name of the Company.
- Authorization to surrender Company's Plot located at Plot No 1-9, Sunrise City IT Park, Anandapur, Nonadanga, Kolkata to IT Department Kolkata.
- Amendment of the Employee Stock Option Scheme 2000 (Scheme 2000) and Employee Stock Based Compensation Plan 2005 (Scheme 2005) by inserting the "Amendment and Termination clause".

AGM held on 16th September 2019

- Re-appointment of Mr. Kaushik Dutta as an Independent Director of the Company
- Re-appointment of Ms. Sangeeta Talwar as an Independent Director of the Company

- Change of designation of Dr. Nikhil Sinha from Non-independent Director to Independent Director
- Approval for the revision in remuneration to be paid to Mr. Rangarajan Raghavan (DIN: 07932761), Managing Director of the Company.
- Approval for sell/transfer/dispose off the shares of step-down subsidiary, HCL Insys Pte. Ltd, Singapore to M/s PCCW Solutions Limited.

14. Postal Ballot

Pursuant to Section 110 and 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company has initiated the process of postal ballot vide Postal Ballot Notice dated 14th May 2022 for seeking approval of the members of the Company by way of Ordinary Resolution for:

- Appointment of Mr. Neelesh Agarwal (DIN: 00149856) as Non-Independent and Non- Executive Director of the Company liable to retire by rotation

In accordance with the MCA & SEBI Circulars, physical copy of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope has not been sent to the shareholders for this Postal Ballot and the shareholders are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors has appointed Mr. Vineet K Chaudhary, a Practicing Company Secretary (Membership No. F5327) (C. P No. 4548), and failing him, Mr. Mohit K Dixit, a Practicing Company Secretary (Membership No. A49021) (C. P No. 17827) as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

The Company has engaged the services of National Securities Depository Limited (NSDL) for providing remote e-voting facility to all its members. The e-voting period commences on Thursday, 19th May 2022 (09:00 A.M. IST) and ends on Friday, 17th June 2022 (05:00 P.M. IST).

15. MANAGER/CFO CERTIFICATION:

The Certificate as stipulated in Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the financial statements for the financial year ended 31st March 2022 and the Board reviewed the same. Copy of certification is attached to this report.

16. DISCLOSURES:

(i) The Company has complied with the requirements of the stock exchanges/SEBI/any statutory authority on all matters related to capital markets during the last three years except error as mentioned below:

- Delay of 2 days in furnishing prior intimation about the meeting of the board of directors held on 2nd November 2021 in the financial year 2021-22 for which fine has been paid to NSE/BSE under Standard Operating Procedures (SOP) guidelines of SEBI
- one error in composition of the Nomination & Remuneration Committee (NRC) Committee in the financial year 2019–20, which has been compounded by payment of fee to NSE/BSE under Standard Operating Procedures (SOP) guidelines of SEBI.

(ii) A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The report confirms that the issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(iii) The Board of the Company has adopted a risk management policy for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis, including aligning the internal audit function to areas of key risks.

(iv) Pursuant to Section 204 of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been done by M/s VKC & Associates, a firm of practicing company secretaries for financial year 2021-22. *The Secretarial Auditor during the audit has mentioned the following instance as mentioned below:*

"a delay of two (2) days in providing prior intimation given on 29th October, 2021 to Stock Exchanges (NSE and BSE) under regulation 29(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, for Board Meeting scheduled on 2nd November 2021 in which the financial results of the Company for quarter ended 30th September 2021 was enlisted for discussion and approval.

Consequently, the stock exchanges have issued the notices for such delay under the provision of Standard Operating Procedure (SOP) and imposed a penalty of Rs. 10,000/- plus GST amounting to Rs.11,800 respectively. We are informed by the management that the Company has paid the penalty to both the Stock Exchange and such no further comments"

(v) The Company has fulfilled all the Mandatory requirements as per Listing Regulations and the following non-mandatory requirements as prescribed in Part E of Schedule II r/w Regulation 27(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

a. The Company has appointed non-executive independent director to the post of chairperson.

b. The statutory financial statements of the Company are unqualified.

c. Internal Auditor can directly report to the Audit Committee.

(vi) The company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vii) The Company has taken a certificate from M/s VKC & Associates, a firm of practicing Company Secretaries confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith as '**Annexure–A'**.

(viii) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: During the period under review, the total fees of ₹ 80,25,000 (Eighty Lakhs twenty-five thousand) has been paid to the statutory auditors for the audit of the Company and its subsidiaries and ₹ 10,30,000 (Ten lakhs and thirty thousand) for special non-statutory audit assignment to KPMG Assurance and Consulting Services LLP (network entity). This fee excludes applicable taxes and out-of-pocket expenses.

(ix) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

a. Number of complaint filed during the financial year: 0

b. Number of complaint disposed of during the financial year: 0

c. Number of complaint pending as on the end of the financial year: 0

17. MEANS OF COMMUNICATION:

(i) **Quarterly/Half Yearly/Annual Results:** The quarterly, half yearly and annual results of the company are sent to the stock exchanges immediately after they are approved by the Board.

(ii) **News Releases:** The quarterly, half yearly and annual results of the company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the company is situated.

The quarterly financial results during the financial year 2021–22 was published as detailed below:

Quarter (FY 2021-22)	Date of Board Meeting	Date of Publication	Name of the Newspaper
1	25th June, 2021	26th June 2021	Business Standard
2	06th August, 2021	7th August 2021	Business Standard
3	2nd November 2021	3rd November 2021	Business Standard
4	8th February, 2022	9th February 2022	Business Standard

(iii) **Website:** The Company's website www.hclinfosystems.in contains a separate section on 'Investors' where the latest shareholders information is available. The quarterly, half yearly and annual results are regularly posted on the website. Official Press/news releases and presentations on investor call (if any) made by the company from time to time and presentations made to investors and analysts are displayed on the company's website.

(iv) **NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing Centre:** National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern and corporate governance report, etc., are also filed electronically on NEAPS/ BSE listing centre.

(v) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Board Report, Auditors' Report, and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the annual report. The annual report is also available on the Company's website.

18. GENERAL SHAREHOLDERS' INFORMATION:

(i) Annual General Meeting:

Date : Wednesday 21st September 2022

Time : 10:00 A.M.

Mode : Video Conference ("VC")/Other Audio-Visual Means ("OAVM")
(Deemed Venue: 806, Siddharth, 96, Nehru Place, New Delhi - 110019

(ii) The Company follows April to March year end.

(iii) Dividend Payment date: Not Applicable

(iv) Date of Book Closure: 16th September 2022 (Friday)—21st September 2022 (Wednesday) (both days inclusive)

(v) Listing on Stock Exchanges:

a) National Stock Exchange of India Limited (Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051)

b) BSE Limited (Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001)

Annual listing fee for the Financial Year 2021- 22 has been paid to the BSE Limited and the National Stock Exchange of India Limited.

(vi) Plant Locations: NA

(vii) Stock Codes/Symbol:

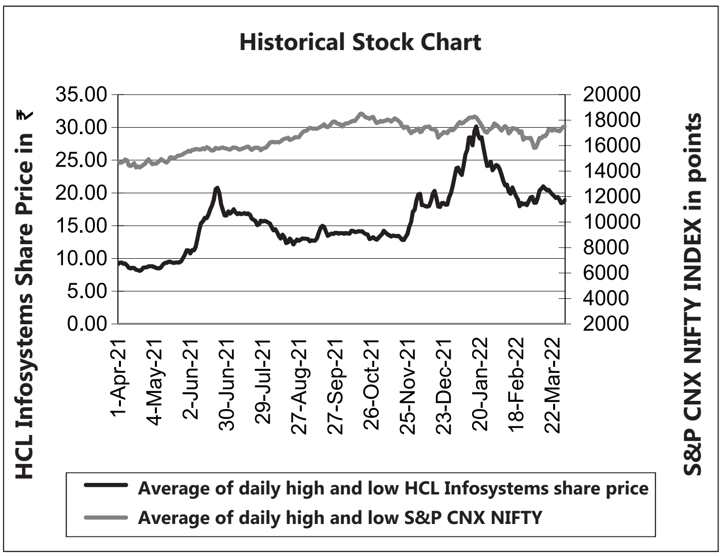
National Stock Exchange of India Limited:HCL-INSYS

BSE Limited : Physical Form–179

: Demat Form–500179

(viii) Market Price Data:

Month	Company's Share Price	
	High(Rs.)	Low(Rs.)
April, 2021	9.55	7.95
May, 2021	11.25	8.35
June, 2021	21.75	10.30
July, 2021	18.35	14.75
August, 2021	16.00	11.85
September, 2021	15.45	12.30
October, 2021	14.65	12.20
November, 2021	17.40	12.35
December, 2021	22.65	16.70
January, 2022	31.30	22.00
February, 2022	24.95	17.35
March, 2022	21.45	18.00



(Source : The National Stock Exchange of India Ltd.)

(ix) Registrar and Transfer Agents (RTA):

Name & Address : M/s. Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi-110055

Contact Person : Mr. J. K. Singla, Senior Manager
Phone No. : 011-42541234,23541234
Fax No. : 23552001
E-Mail : rta@alankit.com

(x) Share Transfer System:

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

During the year, the Company had obtained, a certificate, from a Company Secretary in Practice, certifying that all certificates have been issued within thirty days of the date of lodgement of the transfer (for cases lodged prior to April 1, 2019), sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and filed a copy of the said certificate with the Stock Exchanges. Trading in equity shares of the Company is permitted only in dematerialised form. Transfer of dematerialized shares is done through the depositories with no involvement of the Company.

(xi) Shareholders' Referencer:

The shareholders' referencer is available on the Company's website. Any shareholder who wishes to obtain copy of the same can send his request to the Company Secretary.

(xii) Distribution of Shareholding as on 31st March 2022:

No. of equity shares	Shareholders		Total Shares	
	Number	**(%)**	**Number**	**(%)**
Upto 500	152,589	82.42	176,15,473	5.35
501-1000	15,744	8.50	131,66,687	4.00
1001-2000	8,286	4.48	127,92,233	3.89
2001-3000	3,016	1.63	78,17,192	2.37
3001-4000	1,321	0.71	47,98,967	1.46
4001-5000	1,279	0.69	61,35,061	1.86
5001-10000	1,714	0.93	129,53,119	3.93
10001 and above	1,181	0.64	2,539,31,196	77.14
Total	**1,85,130**	**100.00**	**32,92,09,928**	**100.00**

(xiii) Shareholding pattern as on 31st March 2022:

Category	No. of shares	Percentage (%)
Promoters / Promoters Group	20,70,31,161	62.89
Mutual Funds/Alternate Investment Funds	5,500	0.00
NBFCs	2,57,150	0.08
Foreign Portfolio Investors	70,147	0.02
Insurance Companies	5,00,097	0.15
Financial Institutions / Banks	7,525	0.00
Bodies Corporate	1,32,96,346	4.05
Indian Public	9,86,79,642	29.97
NRI / Trust/HUF/others	84,61,183	2.57
Central Government (IEPF Fund)	9,01,177	0.27
TOTAL	**32,92,09,928**	**100.00**

(xiv) **Dematerialization of shares and liquidity:**

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e., NSDL & CDSL. As on 31st March 2022, 99.35% equity shares of the Company were held in dematerialized form.

The Company's shares are regularly traded on the NSE and the BSE in electronic form.

Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 236A01020.

(xv) The Company has not issued any GDRs/ADRs. There are no outstanding warrants or convertible instruments as on 31st March 2022.

(xvi) **Address for Correspondence**:

The shareholders may address their communication/suggestions/grievances/queries to the registrar and share transfer agents at the address mentioned above, or to:

The Compliance Officer
HCL Infosystems Limited
A-11, Sector-3,
NOIDA (U.P.) – 201301.
Tel. No.: 0120-2520977,2526518, 2526519
Fax: 91 120 2523791
Email: cosec@hcl.com

(xvii) **Credit Rating**

The Company has credit rating of "BBB-/Negative" as long-term issuer rating and "A3" as short-term issuer rating, indicating moderate degree of safety regarding timely servicing of financial obligations", from India Ratings and Research (Ind-Ra).

(xviii) **Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:** NIL

(xix) **Company Website:**

The Company has its website namely www.hclinfosystems.in This provides detailed information about the Company and its subsidiaries. It also contains updated information on the financial performance of the Company and procedures involved in completing various investors' related transactions expeditiously. The quarterly results, annual reports and shareholding distributions, etc., are updated on the website of the Company from time to time.

Code of Conduct

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company viz. www.hclinfosystems.in

It is further confirmed that all the Directors and Senior Management have affirmed their compliance with the Code for the year ended 31st March 2022.

(Raj Kumar Sachdeva)
Manager

Place: Noida
Date 26th May, 2022

MANAGER AND CHIEF FINANCIAL OFFICER CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

This is to certify that:

(a) We have reviewed the financial statement and the cash flow statement for the financial year ended 31^{st} March 2022 and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and Audit Committee, and steps have been taken to rectify these deficiencies.

(d) There have been no significant changes in internal controls over financial reporting and in accounting policies during the year requiring disclosure in the notes to the financial statements and we are not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

(Raj Kumar Sachdeva)	**(Alok Sahu)**
Manager	Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
HCL INFOSYSTEMS LIMITED
CIN: L72200DL1986PLC023955
Registered Office Address: - 806, SIDDHARTH 96,
NEHRU PLACE, NEW DELHI-110019.

We have examined the registers, records, forms, returns and disclosures received from the Directors of **HCL INFOSYSTEMS LIMITED** having **CIN L72200DL1986PLC023955** and having registered office **at 806, Siddharth 96, Nehru Place, New Delhi-110019** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No.	Name of the Directors	Director Identification Number (DIN)	Date of appointment in the Company
1.	Ms. Sangeeta Talwar	00062478	11/02/2014
2.	Dr. Nikhil Sinha	01174807	29/07/2009
3.	Mr. Kaushik Dutta	03328890	11/02/2014
4.	Mr. Dilip Kumar Srivastava*	06847137	21/03/2014
5.	Mr. Pawan Kumar Danwar	06847503	21/03/2014
6.	Ms. Ritu Arora	07019164	06/04/2015

Mr. Dilip Kumar Srivastava resigned from the directorship of the Company w.e.f. closing hours of 31st March 2022.

The eligibility for appointment/ continuity of every Director on the Board of Directors of the Company is the responsibility of the Management of the Company. Our responsibility is to express an opinion based on the verification of the records maintained by the Company, annual disclosure received by the Company from its Directors and verification of the status of DIN data of the Directors available on the Ministry of Corporate Affairs Portal.

This Certificate is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For **VKC & ASSOCIATES**
(Company Secretaries)
Unique Code: P2018DE077000

CS Mohit K Dixit
Partner
ACS No. 49021
CP No. 17827
UDIN: A049021D000364644

Date : 28.05.2022
Place : New Delhi

Corporate Governance Certificate

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO THE MEMBERS OF HCL Infosystems Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 26 November 2018 and addendum to the engagement letter dated 26 May 2022.
2. We have examined the compliance of conditions of Corporate Governance by **HCL Infosystems Limited** ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Assosciates LLP**
Chartered Accountants
Firm's Registration No: 116231W/ W-100024

Girish Arora
Partner
Membership No: 098652
UDIN: 22098652AJUIEZ4399

Place : New Delhi
Date : 28 May 2022

FORM NO. MR-3

Secretarial Audit Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HCL INFOSYSTEMS LIMITED

CIN L72200DL1986PLC023955

Registered Office Address: - 806, Siddharth,
96 Nehru Place, New Delhi-110019 India

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HCL INFOSYSTEMS LIMITED** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. received via electronic means. The management has confirmed that the records submitted to us are the true and correct.

Basis of opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not a registered Registrar to an Issue or Transfer Agent.**
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - **Not Applicable**

(vi) The Company has identified following laws specifically applicable to the Company and we have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances thereunder;

- (a) The Information Technology Act, 2000;
- (b) The Indian Copyright Act, 1957;
- (c) The Patents Act, 1970;
- (d) The Trade Marks Act, 1999;
- (e) The Legal Metrology Act, 2009

We have also examined compliance with the applicable provisions of the following: -

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with **BSE Limited** (BSE) and **National Stock Exchange of India Limited (**NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above *except for a delay of two (2) days in providing prior intimation given on 29th October,2021 to Stock Exchanges (NSE and BSE) under regulation 29(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, for Board Meeting scheduled on 2nd November 2021 in which the financial results of the Company for quarter ended 30th September 2021 was enlisted for discussion and approval.*

Consequently, the stock exchanges have issued the notices for such delay under the provision of Standard Operating Procedure (SOP) and imposed a penalty of ₹ 10,000/- plus GST amounting to ₹ 11,800 respectively. We are informed by the management that the Company has paid the penalty to both the Stock Exchange and such no further comments.

We further report that

The Board of Directors of the Company has been duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all directors to schedule the Board & Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board & Committee Meetings have been carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board thereof.

We further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has the following specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

During the period under review:

a) Pursuant to the application under Section 230 to 232 for the approval of Scheme of Amalgamation between HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) as Transferor Companies with the Company as Transferee Company. The Company on the Directions of the Hon'ble National Company Law Tribunal, Special Bench (NCLT) has convened separate meeting for equity shareholders and unsecured creditors on the 30th November, 2021 and consequently the Company has moved its second motion before the Hon'ble NCLT and the same was admitted via order dated 18.01.2022. The matter is listed for final argument as such no further comments.

b) The Board of Directors of HCL Infosystems Limited in its meeting held on 10th February, 2021 approved the sale of HCL Infotech Limited, a wholly owned subsidiary of the Company, to Novezo Consulting Pvt. Ltd. as per the terms & conditions of the share purchase agreement entered into between HCL Infosystems and Novezo Consulting. The transaction is subject to statutory approvals of authorities and closure of certain conditions precedent. This transaction excludes;

    1. UIDAI and Rajasthan Power Projects;
    2. Residual Business (assets and liabilities, which consist of completed SI Projects and other discontinued and closed projects of HCL Infotech Limited);
    3. HCL Investments Pte. & its step-down subsidiary, Nurture Technologies FZE.

However, one of the customers of the HCL Infotech Limited in key defense project which is forming part of the business transfer agreement has asked the Company to maintain status quo and explore alternative options. The Company is in discussion with the investor and the customer, and the closure of the transaction is yet to be done.

FOR VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000

CS Mohit K Dixit
Partner
ACS No. 49021
C P No. 17827
UDIN: A049021D000364589
Peer Review Certificate. No. 1955/2022

Date : 28/05/2022
Place : New Delhi

To,

The Members,

HCL INFOTECH LIMITED

CIN: U72200DL2012PLC242944

Registered office address: - 806, Siddharth,
96 Nehru Place,New Delhi South Delhi-110019 India

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HCL INFOTECH LIMITED** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. have been received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

Basis of opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances thereof

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**

(c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not Applicable**

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client**; Not Applicable as the Company is not a registered Registrar to an Issue or Transfer Agent.**

(h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**

(i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - **Not Applicable**

(vi) The Information Technology Act, 2000 is specifically applicable to the Company and we have carried out a limited review and also relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made thereunder.

We have also examined compliance with the applicable provisions of the following: -

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s); - **Not Applicable**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above;

We further report that:

The Board of Directors of the Company has been constituted by Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings have been carried out with requisite majority of the members of the Board. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board.

We further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has the following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines:

a) The Board of Directors of the Company has entered into a Share Purchase Agreement (SPA) executed between HCL Infosystems Limited (Holding Company) and Novezo Consulting Pvt. Ltd (Novezo) dated 10th February, 2021 for the sale of the shareholding of the Company by Holding Company to Novezo, subject to statutory approvals of authorities and closure of certain conditions precedent. This transaction excludes;

1) UIDAI and Rajasthan Power Projects;
2) Residual Business (assets and liabilities, which consist of completed HCL Infosystems SI Projects and other discontinued and closed projects of the Company);
3) HCL Investments Pte. & its step-down subsidiary, Nurture Technologies FZE.

However, one of the customers of the Company in key defense project which is forming part of the business transfer agreement has asked the Company to maintain status quo and explore alternative options. The Company is in discussion with the investor and the customer, and the closure of the transaction is yet to be done

FOR VKC & ASSOCIATES
(Company Secretaries)
ICSI Unique Code: P2018DE077000

CS Mohit K Dixit
Partner
ACS No. 49021
C P No. 17827
UDIN: A049021O000364721
Peer Review Certificate. No. 1955/2022

Date : 27.05. 2022
Place : New Delhi

Independent Auditor's Report (Revised)

To the Members of HCL Infosystems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HCL Infosystems Limited (the " Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Material uncertainty related to Going Concern

We draw attention to note 57 of the standalone financial statements, which states that the Company has accumulated losses as at 31 March 2022 and its net worth is fully eroded as at that date. Further, the Company's current liabilities exceed its current assets as at 31 March 2022. These conditions, along with other matters set forth in note 58, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern i.e., whether the Company will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 57 including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the standalone financial statements on a going concern basis.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to be communicated in our report.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs will always detect a material misstatement when it exists. 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

This revised report has been issued with reference to standalone financial statements of the Company for the year ended 31 March 2022 that Board of Directors had approved in their meeting held on 28 May 2022 on which we had issued our Audit Report dated 28th May 2022 (referred to as "Original Audit Report"). We noted that certain disputed statutory dues disclosed under clause vii (b) of the Companies (Auditor's Report) Order, 2020 in Annexure A to our Original Audit Report were erroneously reported with the header as "₹ Crores" though some the amounts mentioned were in ₹ Lakhs. This revised report has been issued to rectify the error noted in clause vii (b) of the Companies (Auditor's Report) Order, 2020. Since the error relates to only audit report and it does not have any impact on the standalone financial statements of the Company approved by the Board of Directors of the Company on 28 May 2022, no revision / amendment has been made in the standalone financial statements of the Company.

Accordingly, no additional procedures have been carried out for any other event occurring after 28 May 2022 (being the date of the Original Audit Report.) Our Original Audit Report dated 28 May 2022 is superseded by this audit report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) The going concern matter described under the *Material Uncertainty Related to Going Concern* paragraph above, in our opinion, may have an adverse effect on the functioning of the Company; and
   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.

b) The Company has long-term contracts for which there are no material foreseeable losses. The Company did not have any long-term derivative contracts as on 31 March 2022.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Girish Arora
Partner
Membership No. 098652
UDIN: 22098652ASCMDU5473

Place: New Delhi
Date: 14 September 2022

Annexure A To Independent Auditor's Report (Revised)

Annexure A referred to in our Independent Auditor's Report (Revised) to the members of HCL Infosystems Limited on the standalone financial statements for the year ended 31 March 2022

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value in INR Crore	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land and Buildings at Ambattur, Chennai	5.58	M/s. HCL Peripherals Limited	Refer note below	Since 01-JUL-98	Refer note below

Note: Ambattur, Chennai immovable property held in the name of HCL Peripherals Limited, which was a wholly owned subsidiary of HCL Corporation Limited (Parent Company) and got merged with parent company in the year 2010. The company acquired aforesaid immoveable property from HCL Peripherals Limited in the year 1998 as part of Business Transfer Transaction. There is no dispute as to title of the property. As per the Business Transfer Agreement, in the event the company dispose off the property, HCL Peripherals and the company shall jointly execute and register sale deed in favour of the purchaser to convey a valid title to the purchaser.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company does not hold any physical inventories as at year end. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except statement for quarter ended 31 March 2022 which is yet to be filed by the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has provided guarantee and security and has granted loans and advances in the nature of loans to Companies during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to the Companies as below:

₹ in crore

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year - Subsidiaries	-	-	51.53	-
Balance outstanding as at balance sheet date - Subsidiaries	38.35	-	54.42	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of following loans given, there is no stipulation of schedule of repayment of principal and payment of interest since these loans are either repayable on demand or as an when the surplus fund would be available with the respective parties. Accordingly, we are unable to comment on the regularity of repayment of principal and payment of interest:

Name of the entity	₹ in crore	Remarks
Digilife Distribution and Marketing Services Limited	4.47	There is not stipulation of schedule of repayment of principal or payment of interest since these loans are either repayable on demand or as an when the surplus fund would be available with the respective parties.
HCL Learning Limited	49.95	

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans of ₹ 4.47 crore given to Digilife Distribution and Marketing Services Limited and ₹ 49.95 crore given to HCL Learning Limited, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Also refer to comments in sub clause 3 (iii) (c) above. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Also, refer to our comments in sub clause 3 (iii) (c) and (d) above.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

₹ in crore

	All Parties	Promoters	Related Parties*
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of Repayment (B)**	54.42	-	54.42
Total (A+B)	**54.42**	**-**	**54.42**
Percentage of loans/advances in nature of loan to the total loans	100%	0%	100%

*Given to wholly owned subsidiaries

** Also refer to comment in sub clause 3 (iii) (c) above.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with to the extent applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues,(the Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST)have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as on 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise	0.49	0.02	2006-07 to 2008-09, 2010-11	Commissioner Appeals
Central Excise Act, 1944	Excise	0.21	0.02	2002-03, 2012-13	High Court-Chennai
Customs Act, 1962	Customs	0.02	-	2008-09	Commissioner (Appeals), Mumbai
Customs Tariff Act, 1975	Customs	40.47	5	2005-2009	CESTAT, Delhi
Finance Act, 1994	Service Tax	351.86	13.25	2006-2009, 2010-2015	CESTAT- Allahabad
Finance Act, 1994	Service Tax	70.94	5	2003-06, 2010-11 to 2013-14	High Court- Allahabad
Central Sales Tax,1956	CST	0.01	0.00	2006-07	Deputy Commissioner (Appeals) of Sales Tax Kochi
Central Sales Tax,1956	CST	0.01	0.01	2016-17	Add. Commissioner, GR 2 Appeal, Noida
Central Sales Tax,1956	CST	1.00	0.21	2007-08, 2008-09, 2012-13, 2013-14	Additional Commissioner (Appeals) of Commercial Tax Noida
Central Sales Tax,1956	CST	0.07	0.00	2011-12	Additional Commissioner (Appeals) of Sales Tax Kolkata
Central Sales Tax,1956	CST	0.02	0.01	2009-10	Assessing Officer
Central Sales Tax,1956	CST	0.00	0.00	2004-05	Assessing Officer, Commercial Tax, Noida
Central Sales Tax,1956	CST	0.05	0.00	2015-16, 2016-17	Assistant VAT Officer, Delhi
Central Sales Tax,1956	CST	0.66	0.00	2006-07, 2008-09	Board of Sales Tax Kolkata
Central Sales Tax,1956	CST	0.06	0.00	2004-05	Commercial Tax Officer Chennai

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Central Sales Tax,1956	CST	0.00	0.01	2013-14, 2014-15	Commercial Tax Officer, Jaipur, Rajasthan
Central Sales Tax,1956	CST	0.00	0.00	2015-16	Commercial Tax Officer, Telangana
Central Sales Tax,1956	CST	0.07	0.00	2017-18	Department of Trade & Taxes, Delhi
Central Sales Tax,1956	CST	0.18	0.19	2013-14	Department of Trade & Taxes, Delhi
Central Sales Tax,1956	CST	1.36	0.27	2012-13	Department of Trade & Taxes, Delhi
Central Sales Tax,1956	CST	0.11	0.32	2013-14, 2015-16	Deputy Commissioner (Appeals) of Sales Tax Chennai
Central Sales Tax,1956	CST	5.08	0.50	2009-10, 2010-11 2011-12	Deputy Commissioner (Appeals) of Sales Tax Delhi
Central Sales Tax,1956	CST	0.05	0.01	2012-14	Deputy Commissioner Appeal (Bhubaneswar)
Central Sales Tax,1956	CST	0.72	0.22	2012-13, 2013-14	Deputy Commissioner of Commercial Tax
Central Sales Tax,1956	CST	2.23	0.89	2010-11, 2011-12, 2013-14	Deputy. Commissioner Commercial Tax Dehradun
Central Sales Tax,1956	CST	0.14	0.10	2013-14	Deputy Commissioner, Noida
Central Sales Tax,1956	CST	0.00	0.00	2015-16, 2016-17	Deputy Commissioner, Commercial Tax, Kochi
Central Sales Tax,1956	CST	1.48	0.01	2010-11, 2011-12, 2014-15, 2015-16	Excise and Taxation Officer, Haryana
Central Sales Tax,1956	CST	0.07	0.01	2015-16	Gujarat Value Added Tax Tribunal
Central Sales Tax,1956	CST	0.19	0.11	2011-12, 2013-14, 2014-15	Joint Commissioner (Appeals)
Central Sales Tax,1956	CST	0.01	0.58	2006-07, 2007-08	Joint Commissioner, Commercial Taxes
Central Sales Tax,1956	CST	0.28	0.00	2009-10	Joint Commissioner, Commercial Taxes, Noida
Central Sales Tax,1956	CST	0.02	0.25	2006-07	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Central Sales Tax,1956	CST	0.00	0.00	2013-14	Commercial Tax Officer
Central Sales Tax,1956	CST	0.00	0.00	2015-16	Sales Tax Officer Delhi
Central Sales Tax,1956	CST	0.45	0.35	2005-06	Sales Tax Tribunal, Mumbai
Central Sales Tax,1956	CST	0.10	0.00	2013-14	Special Commissioner (Appeals) of Sales Tax, Delhi
Central Sales Tax,1956	CST	0.05	0.03	2014-15	Additional Commissioner (Appeals) of Commercial Tax, Noida
Central Sales Tax,1956	CST	0.01	0.00	2015-16	Additional Commissioner (Appeals) of Commercial Tax, Noida
Central Sales Tax,1956	CST	0.17	0.05	2013-14	The Deputy Commissioner (Appeals), SGST Department, Kerala

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Central Sales Tax,1956	CST	0.02	0.00	2013-14	The Deputy Commissioner of Sales Tax (Appeals), Guwahati, Assam
Central Sales Tax,1956	CST	0.33	0.11	2011-12	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Central Sales Tax,1956	CST	0.57	0.28	2010-11	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Central Sales Tax,1956	CST	0.53	0.20	2002-03, 2003-04, 2005-06	The Commercial Tax Tribunal, Noida, Uttar Pradesh.
Central Sales Tax,1956	CST	0.26	0.12	2005-06, 2007-08	Tribunal of Sales Tax, Delhi
Central Sales Tax,1956	CST	0.06	0.03	2001-02, 2003-04	Tribunal of Sales Tax, Kochi
Central Sales Tax,1956	CST	0.05	0.00	2016-17	Additional Commissioner (Appeals) of Commercial Tax, Noida
Entry Tax Act	Entry Tax	0.09	0.03	2008-09, 2009-10	Additional Commissioner (Appeals) of Commercial Tax Noida
Entry Tax Act	Entry Tax	0.18	0.05	2008-11	Assessing Office, Bhubaneswar
Entry Tax Act	Entry Tax	0.46	0.08	2012-13	Commissioner of Sales Tax (Bhubaneswar)
Entry Tax Act	Entry Tax	0.01	0.00	2014-15	Commercial Tax Officer, Raipur
Entry Tax Act	Entry Tax	0.02	0.00	2014-15	Deputy Commissioner Appeal (Bhubaneswar)
Entry Tax Act	Entry Tax	0.12	0.01	2012-14	Hon’ble High Court of Orrisa
Entry Tax Act	Entry Tax	0.05	0.00	2013-14	Hon’ble Sales Tax Tribunal
Entry Tax Act	Entry Tax	0.24	0.16	2011-12, 2012-13, 2013-14	Joint Commissioner Appeal
Entry Tax Act	Entry Tax	0.04	0.06	2010-11	Rajasthan Tax Board, Ajmer
Entry Tax Act	Entry Tax	0.04	0.04	2011-12, 2014-15	Rajasthan Tax Board, Ajmer
Goods & Service Tax, 2017	SGST	0.12	0.01	2017-18	Assistant Commissioner, Sales Tax
Goods & Service Tax, 2017	SGST	0.02	0.00	2017-18	Deputy Commissioner Ranchi
Sales Tax/value Added Tax under Various States	Sales Tax	0.31	0.09	2006-07	Deputy Commissioner (Appeals) of Sales Tax Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2016-17	Assessing Authority of Sales Tax, Solan
Sales Tax/value Added Tax under Various States	Sales Tax	0.20	0.10	2016-17	Add. Commissioner (Appeals), Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2006-07	Additional Commissioner, Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	3.96	1.03	2007-08, 2008-09, 2012-13, 2013-14	Additional Commissioner (Appeals) of Commercial Tax Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.41	0.17	2014-15	Additional Commissioner-WB
Sales Tax/value Added Tax under Various States	Sales Tax	0.11	1.23	2012-13	Additional Commissioner (Appeals) of Commercial Tax Noida

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.00	2011-12	Additional Commissioner (Appeals) of Sales Tax Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2016-17	Assessing Officer.
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.02	2012-13	Assistant Commissioner of Sales Tax Shimla
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.00	2014-15	Assistant Commissioner of Sales Tax, Gujarat
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.06	2012-13, 2013-14, 2016-17	Assistant Commissioner of Sales Tax, Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	6.66	0.18	2005-06, 2008-09, 2009-10	Board of Sales Tax Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	0.16	0.05	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2013-14	Commercial Tax Officer
Sales Tax/value Added Tax under Various States	Sales Tax	0.42	0.24	2004-05, 2009-10, 2011-12	Commercial Tax Officer Chennai
Sales Tax/value Added Tax under Various States	Sales Tax	0.20	0.20	2009-10, 2011-12, 2012-13	Commercial Tax Officer, Anti Evasion, Jaipur, Rajasthan
Sales Tax/value Added Tax under Various States	Sales Tax	1.26	0.09	2013-14, 2015-16	Commercial Tax Officer, Jaipur, Rajasthan
Sales Tax/value Added Tax under Various States	Sales Tax	0.37	2.49	2014-15	Commissioner Appeals.
Sales Tax/value Added Tax under Various States	Sales Tax	4.76	0.00	2017-18	DC, Sector -8 Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.75	0.44	2008-09	Deputy Commissioners (Appeals), Bangalore
Sales Tax/value Added Tax under Various States	Sales Tax	5.99	0.51	2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	Deputy Commissioner (Appeals) of Sales Tax Delhi
Sales Tax/value Added Tax under Various States	Sales Tax	1.54	0.05	2012-14, Apr 14 - Sep 15	Deputy Commissioner Appeal (Bhubaneswar)
Sales Tax/value Added Tax under Various States	Sales Tax	1.75	0.02	2007-08, 2008-09	Deputy Commissioner Appeals Jammu
Sales Tax/value Added Tax under Various States	Sales Tax	0.73	0.22	2012-13, 2013-14	Deputy Commissioner of Commercial Tax
Sales Tax/value Added Tax under Various States	Sales Tax	0.25	0.00	2013-14	Deputy Commissioner Ranchi
Sales Tax/value Added Tax under Various States	Sales Tax	7.39	0.55	2010-11	Deputy Excise and Taxation Commissioner, Chandigarh
Sales Tax/value Added Tax under Various States	Sales Tax	6.31	0.00	2016-17	Deputy Commissioner of Sales Tax, Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	2.62	0.18	2015-16	Deputy Commissioner of Sales Tax
Sales Tax/value Added Tax under Various States	Sales Tax	3.85	0.24	2016-17, 2017-18	Deputy Commissioner of Sales Tax, Mumbai.
Sales Tax/value Added Tax under Various States	Sales Tax	0.07	0.00	2004-05	Deputy Commissioner of Sales Tax, Hyderabad

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.01	2013-14	Deputy Commissioner, Commercial Tax, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.04	0.01	2015-16	Deputy Commissioner, Commercial Tax, Dehradun
Sales Tax/value Added Tax under Various States	Sales Tax	0.94	0.00	2007-08	Deputy Commissioner of Taxes (Appeal -1), Jammu
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2015-16	Deputy Commissioner, Commercial Tax, Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	1.02	0.00	2014-15	Excise and Taxation Officer, Haryana
Sales Tax/value Added Tax under Various States	Sales Tax	1.22	0.31	2012-13, 2013-14	Excise and Taxation Officer, Mohali
Sales Tax/value Added Tax under Various States	Sales Tax	1.28	0.00	2014-15	First Appellate Authority, Rajasthan
Sales Tax/value Added Tax under Various States	Sales Tax	1.56	0.38	2014-15, 2015-16	Gujarat Value Added Tax Tribunal
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.07	2006-07	High Court Allahabad
Sales Tax/value Added Tax under Various States	Sales Tax	0.09	0.09	2008-09	High Court Jaipur
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2005-06, 2007-08	Hon’ble High court Allahabad
Sales Tax/value Added Tax under Various States	Sales Tax	0.04	0.00	2009-10	Hon’ble Sales Tax Tribunal
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2015-16	Intelligence Officer, Deptt of Com.Tax, Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	0.04	0.00	2004-05	Joint Commissioner (Appeals) of Sales Tax Delhi
Sales Tax/value Added Tax under Various States	Sales Tax	5.84	0.75	2008-09, 2011-12 2012-13, 2013-14	Joint Commissioner (Appeals)
Sales Tax/value Added Tax under Various States	Sales Tax	0.14	0.03	2008-09, 2013-14	Joint Commissioner (Appeals)
Sales Tax/value Added Tax under Various States	Sales Tax	1.40	1.44	2014-15	Joint Commissioner Appeal Sales Tax
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.71	2007-08, 2015-16	Joint Commissioner, Commercial Taxes
Sales Tax/value Added Tax under Various States	Sales Tax	0.09	0.00	2009-10	Joint Commissioner, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	5.70	0.29	2016-17	Joint Commissioner of Sales Tax, Mumbai
Sales Tax/value Added Tax under Various States	Sales Tax	4.08	0.00	2015-16	Mumbai High Court.
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.01	2005-06	Deputy Commissioner, Jammu
Sales Tax/value Added Tax under Various States	Sales Tax	2.85	0.13	2010-11, 2011-12	Additional Commissioner (Appeals) of Commercial Tax, Patna
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.00	2009-10	Office of the Deputy Commissioner (Appeals),

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Sales Tax/value Added Tax under Various States	Sales Tax	15.63	53.64	2009-10, 2011-12, 2012-13	Rajasthan Tax Board, Jaipur
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.01	2013-14	Special Commissioner (Appeals) of Sales Tax, Delhi
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.01	2015-16	Senior Joint Commissioner of Revenue, Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	2.01	2.01	2009-10, 2010-11, 2011-12	Rajasthan Tax Board, Jaipur
Sales Tax/value Added Tax under Various States	Sales Tax	0.17	0.09	2015-16	Additional Commissioner (Appeals) of Commercial Tax, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.34	0.16	2013-14, 2014-15	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Sales Tax/value Added Tax under Various States	Sales Tax	2.26	0.89	2014-15, 2015-16	The Deputy Commissioner Appeals, SGST Department, Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.00	2009-10	The Intelligence Office - Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	5.95	0.28	2014-15	The Joint Commissioner of Sales Tax (Appeals), Mumbai.
Sales Tax/value Added Tax under Various States	Sales Tax	0.86	0.32	2010-11	Tribunal Commercial Tax, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.04	2006-07	Tribunal Commercial Tax, Noida.
Sales Tax/value Added Tax under Various States	Sales Tax	0.66	0.41	2001-02, 2002-03, 2003-04, 2004-05	Tribunals of Sales Tax Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	0.12	0.03	2007-08	Punjab VAT Tribunal, Chandigarh
Sales Tax/value Added Tax under Various States	Sales Tax	0.05	0.00	2016-17	Assistant VAT Officer, Delhi
Income tax Act, 1961	Income tax	10.75	-	2005-2006, 2006-07, 2011-12 and 2017-18	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	19.95	-	2006-07 and 2013-14	Income tax Appellate tribunal

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures (as defined under the Act) as per details below:

Nature of fund taken	Name of lender (May mention whether Bank/ NBFC/ Corporate etc)	Amount involved ₹ in Crore	Name of the relevant subsidiary, joint venture, associate	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Short term loan (Unsecured)	HCL Corporation Pvt Ltd.	40	HCL Infotech Limited	Wholly owned subsidiary	Working capital requirements	Fund was taken for day-to-day operational requirement of HCL Infosystems Limited and its subsidiaries. Fund provided by HCL Infosystems Limited to HCL Infotech Limited fully repaid during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) is not applicable.

(xvii) The Company has not incurred cash losses in the current financial year; however, company has incurred cash losses of ₹ 103.96 crore in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to note 57 of the standalone financial statements, which states that the Company has accumulated losses as at 31 March 2022 and its net worth is fully eroded as at that date. Further, the Company's current liabilities exceed its current assets as at 31 March 2022. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that a material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, based upon the measures as set forth in the note 57 including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future.

(xx) (a) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Girish Arora
Partner
Membership No. 098652
UDIN: 22098652ASCMDU5473

Place: New Delhi
Date: 14 September 2022

Annexure B To Independent Auditor's Report(Revised)

Annexure B to the Independent Auditors' Report (Revised) on the standalone financial statements of HCL Infosystems Limited for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of HCL Infosystems Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Girish Arora
Partner
Membership No. 098652
UDIN: 22098652ASCMDU5473

Place: New Delhi
Date: 14 September 2022

Standalone Balance Sheet as at March 31, 2022

		Notes	As at 31.03.2022 ₹/Crores		As at 31.03.2021 ₹/Crores	
I.	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	**3 (a)**	**4.14**		35.13	
	Capital work-in-progress	**3(c)**	**0.09**		0.16	
	Intangible assets	**4**	**0.04**		0.08	
	Financial Assets					
	(i) Investments	**5**	**0.04**		0.04	
	(ii) Other financial assets	**7**	**21.84**		36.36	
	Advance income tax (net)	**8**	**25.45**		39.13	
	Other non-current assets	**9**	**130.62**	**182.22**	165.46	276.36
(2)	**Current assets**					
	Inventories	**10**	**-**		0.53	
	Financial Assets					
	(i) Investments	**6**	**78.96**		-	
	(ii) Trade receivables	**11**	**1.12**		14.64	
	(iii) Cash and cash equivalents	**12**	**10.26**		18.52	
	(iv) Bank balances other than (iii) above	**13**	**18.30**		5.67	
	(v) Loans	**14**	**1.55**		2.81	
	(vi) Other financial assets	**15**	**3.69**		16.28	
	Other current assets	**16**	**22.54**		21.35	
	Assets held for sale	**51**	**6.90**	**143.32**	15.05	94.85
	Total Assets			**325.54**		371.21
II.	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	**17**	**65.84**		65.84	
	Other equity	**18**	**(286.24)**	**(220.40)**	(310.68)	(244.84)
(2)	**Liabilities**					
	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	**19(i)**	**13.83**		59.03	
	Provisions	**20**	**0.78**	**14.61**	0.84	59.87
	Current liabilities					
	Financial liabilities					
	(i) Borrowings	**21**	**400.20**		478.21	
	(ii) Trade payables	**22**				
	(a) Total outstanding dues of micro enterprises and small enterprises		**2.63**		1.89	
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**47.55**		38.50	
	(iii) Other financial liabilities	**23**	**7.10**		12.26	
	Other current liabilities	**24**	**8.20**		13.48	
	Provisions	**25**	**65.65**	**531.33**	11.84	556.18
Total Equity and Liabilities				**325.54**		371.21
Significant Accounting Policies		**2**				

The notes referred to above form an integral part of the Standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Standalone Statement of Profit and Loss for the year ended March 31, 2022

	Notes	Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
Income :					
Revenue from operations	**26**		**9.19**		217.36
Other income	**27**		**28.37**		23.63
Total income			**37.56**		240.99
Expenses :					
Cost of materials consumed			**0.02**		0.00
Purchase of stock-in-trade			**7.21**		181.48
Changes in inventories of stock-in -trade	**28**		**0.53**		23.71
Other direct expense	**29**		**0.62**		0.78
Employee benefits expense	**30**		**6.68**		28.38
Finance costs	**31**		**12.64**		49.50
Depreciation and amortization expense	**3,4**		**1.35**		4.03
Other expenses	**32**		**56.44**		66.99
Total expenses			**85.49**		354.87
Loss before exceptional items and tax			**(47.93)**		(113.88)
Exceptional items	**36**		**72.61**		(90.88)
Profit/(Loss) before tax			**24.68**		(204.76)
Income tax expense:					
Current tax			**-**	-	
Deferred tax	**48**	**-**	**-**	-	-
Profit/(Loss) for the year			**24.68**		(204.76)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
(i) Gain/(loss) on remeasurement of defined benefit plan	**45**	**(0.25)**		(0.25)	
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		**-**	**(0.25)**	-	(0.25)
Total comprehensive Profit /(Loss) for the year			**24.43**		(205.01)
Earnings per share (in ₹)	**43**				
- Basic and diluted (of ₹ 2/- each)			**0.75**		(6.22)
Significant accounting policies	**2**				

The notes referred to above form an integral part of the Standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
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Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Standalone Cash Flow Statement for the year ended March 31, 2022

	Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
1. Cash Flow from Operating Activities:				
Profit/(Loss) before tax		**24.68**		(204.76)
Adjustments for:				
Depreciation and amortisation expense	**1.35**		4.03	
Finance cost	**12.64**		49.50	
Interest income	**(2.18)**		(3.70)	
Interest on income tax refund	**(10.27)**		-	
Net gains (losses) on fair value changes on investments	**(0.97)**		-	
Net profit on sale of properties	**(104.93)**		(0.19)	
Property, plant and equipment written-off	**0.06**		0.40	
Gain on sale of investment carried at FVTPL	**(0.37)**		-	
Impairment of property	**3.33**		-	
(Reversal) / Provision against inter company deposits given to subsidiaries	**(21.69)**		84.57	
Provision for Loss in subsidiary	**50.59**		-	
Loss on conversion of inter company deposits into Optionally Convertible Debentures	**-**		6.31	
Gain on foreign exchange fluctuation	**(0.63)**		(0.63)	
Provision for doubtful debts	**2.24**		3.20	
Provision for change in fair value of OCD	**15.56**		-	
Provisions for Input tax credit	**8.89**		17.80	
Provisions for doubtful other current assets	**2.73**		-	
Provisions/liabilities no longer required written back	**(11.02)**	**(54.67)**	(14.88)	146.41
Operating (loss)/ profit before working capital changes		**(29.99)**		(58.35)
Changes in operating assets and liabilities				
- Decrease / (Increase) in trade receivables	**11.28**		140.53	
- Decrease in non-current assets	**35.51**		31.49	
- Decrease / (Increase) in current assets	**(1.20)**		44.24	
- Decrease in inventories	**0.53**		23.71	
- (Decrease)/increase in non current liabilities	**(0.06)**		(1.43)	
- (Decrease)/increase in current liabilities	**15.39**	**61.45**	(319.16)	(80.62)
Cash generated from operations		**31.46**		(138.98)
- Taxes (paid) / refund received {net}		**9.38**		6.74
Net cash generated from operating activities (A)		**40.84**		(132.24)
2. Cash flow from investing activities:				
Purchase of properties plant and equipments and intangible assets	**(0.26)**		(0.37)	
Capital work-in-progress (including intangible assets under development)	**0.09**		-	
Proceeds from sale of properties	**139.65**		0.53	
Purchase of current investments	**(78.00)**		-	
Interest received	**2.18**		2.27	
Redemption/maturity of bank deposits (net)	**(14.57)**		27.99	
Movement in margin money account (net)	**-**		(12.89)	
Gain on sale of investment carried at FVTPL	**0.37**		-	
Inter corporate deposits given	**-**		(285.72)	
Inter corporate deposits received back	**22.95**		379.41	
Receipt of business consideration	**15.80**	**88.21**	-	111.22
Net cash generated from investing activities (B)		**88.21**		111.22

Standalone Cash Flow Statement for the year ended March 31, 2022

		Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
3. Cash Flow from Financing Activities:					
Proceeds from loans and borrowings		**-**		1,782.77	
Repayment of loans and borrowings		**(123.20)**		(1,729.88)	
Lease obligation paid		**-**		(1.03)	
Interest paid		**(14.08)**		(49.82)	
Unclaimed dividend transferred to investor protection fund		**-**	**(137.28)**	(0.47)	1.57
Net cash generated /(used)in financing activities	**(C)**		**(137.28)**		1.57
Net (Decrease) /Increase in cash and cash equivalents	**(A+B+C)**		**(8.23)**		(19.45)
Opening balance of cash and cash equivalents			**18.52**		37.56
Exchange difference on translation of foreign currency cash and cash equivalent			**(0.03)**		0.41
Closing balance of cash and cash equivalents			**10.26**		18.52
Cash and cash equivalents comprise of			**10.26**		18.52
Cash, cheques and drafts (on hand)			**-**		-
Balances with banks on current accounts			**10.26**		18.52
Balances with banks on deposits accounts			**-**		-

Notes:

Figures in brackets indicate cash outflow.

Note A : During the current and previous year, there were no non cash changes in financial liabilities arising from financing activities. Accordingly, reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities including both changes arising from cash flows and non-cash changes as required based on paragraph 44 of Ind AS 7 on 'Statement of Cash Flows' has not been given.

Note B : The above cash flow from operating activities has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of cash flows.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

Girish Arora
Partner
Membership Number - 098652

New Delhi, May 28, 2022

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

Noida, May 28, 2022

Standalone Statement of Changes in Equity for the year ended March 31, 2022

a. Equity Share Capital ₹/Crores

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
65.84	-	-	-	**65.84**

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
65.84	-	-	-	**65.84**

b. Other Equity ₹/Crores

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2020	**1,194.38**	**215.83**	**(1,515.87)**	**(105.66)**
Loss for the year	**-**	**-**	(204.76)	**(204.76)**
Other comprehensive loss for the year	-	-	(0.25)	**(0.25)**
Balance as at 31.03.2021	**1,194.38**	**215.83**	**(1,720.88)**	**(310.67)**
Balance as at 01.04.2021	**1,194.38**	**215.83**	**(1,720.88)**	**(310.67)**
Profit for the year	-	-	**24.68**	**24.68**
Other comprehensive loss for the year	-	-	**(0.25)**	**(0.25)**
Balance as at 31.03.2022	**1,194.38**	**215.83**	**(1,696.45)**	**(286.24)**

Securities Premium :

The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.

General Reserve :

The general reserve has been accumulated by way of transfer/ allocation of profits over the years in compliance with applicable regulations.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Notes to the Standalone Financial Statements

1. Corporate information

HCL Infosystems Limited ('the Company') is domiciled and incorporated in India and publicly traded on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE') in India. The registered office of the Company is situated at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

The Company is primarily engaged in value-added distribution of technology, mobility and consumer electronic products.

The financial statements were approved by the Board of Directors and authorised for issue on 28.05.2022.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(i) Basis of preparation

These financial statements has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The statement of cash flows have been prepared under indirect method.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

(ii) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the certain financials assets and liabilities which have been measured at fair value as explained in the accounting policies below.

2.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

2.3 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.4 Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

a) Property, plant and equipment

Management engages external adviser or internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Intangibles

Internal technical or user team assess the remaining useful lives of intangible assets. Management believes that assigned useful lives are reasonable.

c) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

e) Allowance for uncollected trade receivable and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

f) Liquidated damages

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actual as levied by customer.

g) Impairment of investments

Investments in subsidiaries are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test is performed at entity level. An impairment loss is recognised whenever the carrying amount of investment exceeds its recoverable amount.

The recoverable amount is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. The calculation involves use of significant estimates and assumptions which include turnover and gross margin, growth rate and net margin used to calculate projected future cash flows, discount rate and long term growth rate.

h) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. In case of multiple performance obligations the Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

2.5 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.6 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013.

Assets residual values, depreciation method and useful lives are reviewed at each financial year end considering the physical condition of the assets or whenever there are indicators for review and adjusted residual life prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold land is amortised over a period of lease. Leasehold improvements are amortised on straight line basis over the period of three years or lease period whichever is lower.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other income.

2.7 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

Softwares

Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license.

Intangible Assets are amortised at straight line basis as follows:

Software	1-5 years

Notes to the Standalone Financial Statements

2.8 Leases

As a lessee

As a lessee, the Company leases many assets including properties and office equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IND AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component

As a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Assets given under finance lease are recognised as receivables at an amount equal to the net investment in the lease. Inventories given on finance lease are recognised as deemed sale at fair value. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

2.9 Financial instruments

A. Financial instruments – Initial recognition and measurement

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

B. Financial assets

1. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Debt instrument

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in other income in the statement of profit and loss.

b. Financial assets measured at amortised cost

Loans and receivables are non-derivative financial assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the statement of profit and loss.

c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Investment in subsidiaries

Investment in subsidiaries is carried at cost in standalone financial statement.

Equity instruments

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payments is established.

2. Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

C. Financial liabilities

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate method. The effective interest rate method's amortisation is included in finance costs in the statement of profit and loss.

2. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

D. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

E. Derivative financial instruments - current versus non-current classification

Derivative instruments will be held for a period beyond twelve months after the reporting date, are classified as noncurrent (or separated into current and non-current portions) consistent with the classification of the underlying item. These are classified as current, when the remaining holding period is up to twelve months after the reporting date.

F. Fair value measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.10 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of a history of recent losses, the Company recognised a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets-unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the assets is realised or the liability is settled based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or no different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.11 Inventories

Raw materials, stock-in-trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw materials and stock-in-trade comprises cost of purchases. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Goods in-transit is valued inclusive of custom duty, where applicable.

2.12 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Impairment of assets

a. Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

c. Investment in subsidiaries

Investments in subsidiaries are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test is performed at entity level. An impairment loss is recognised whenever the carrying amount of Investment exceeds its recoverable amount.

The recoverable amount is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants less the costs of disposal. Impairment losses, if any are recognised in the statement of profit and loss.

Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.15 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

If the criteria stated by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid in accordance with the terms with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.18 Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

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 or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are disclosed where an inflow of economic benefits is probable.

2.19 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (₹ the functional currency'). The Company's operations are primarily in India. The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.20 Revenue recognition

The Company derives revenues primarily from sale of products. Revenue is measured at the fair value of the consideration received or receivable.

Sale of products

Timing of recognition

The Company is engaged into the business of –

- Purchase/ sale and distribution of IT products, including computer hardware and mobile handsets.

Revenue from the sale of products is recognised at the point in time when control is transferred to the customer

Measurement of revenue

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from services

Timing of recognition

Service income includes income from IT infrastructure managed services, break-fix services, office automation maintenance services and managed print services. Revenues relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed price contracts is recognised on percentage of completion basis of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations. Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Measurement of revenue

Revenue is based on the price specified in the sales contract, net of the estimated volume discounts. For separately identified component from multiple element arrangement, pertaining to the sale of services, the revenues are measured based on fair value allocated to such component within the overall arrangement.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management.

Interest income

Interest income from loans and receivables (debt instruments) is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.21 Employee benefits

Defined benefit plans

Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

Provident Fund

In respect of certain employees, provident fund contributions are made to a multi-employer Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

Defined contribution plans

Contributions to the employees' state insurance fund, administered by the prescribed government authorities, are made in accordance with the Employees' State Insurance Act, 1948 and are recognised as an expense on an accrual basis.

Company's contribution towards Superannuation Fund is accounted for on accrual basis.

The Company makes defined contributions to a Superannuation Trust established for the purpose. The Company has no further obligation beyond the monthly contributions.

Other benefits

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise.

Long term employee benefits

Employee benefits, which are expected to be availed or encashed beyond 12 months from the end of the year, are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit or loss, with a corresponding adjustment to equity.

2.22 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Exceptional items

Items which are material either because of their size or their nature, and which are non-recurring, are highlighted through separate disclosure. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance.

3 (a) Property, plant and equipment

The changes in carrying value of property, plant and equipment

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2022	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2022	As at 31.03.2022
Leasehold land	**8.02**	-	8.02	**0.00**	0.53	0.09	0.62	**0.00**	**0.00**
Freehold land	**2.60**	-	2.54	**0.06**	-	-	-	**-**	**0.06**
Buildings	**25.70**	-	22.44	**3.26**	4.07	0.56	4.58	**0.05**	**3.21**
Plant and machinery	**1.47**	-	1.47	**-**	1.25	0.06	1.30	**0.01**	**- 0.01**
Furniture and fixtures	**4.26**	-	4.21	**0.05**	2.72	0.29	3.01	**-**	**0.05**
Office equipment	**1.26**	-	1.26	**-**	0.72	-	0.72	**-**	**-**
Computers	**5.06**	0.26	2.20	**3.12**	3.96	0.31	1.96	**2.31**	**0.81**
Total	**48.37**	**0.26**	**42.14**	**6.50**	**13.25**	**1.31**	**12.19**	**2.37**	**4.14**

* Refer note 51, for disclosure related to "Assets held for sale".

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2021	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2021	As at 31.03.2021
Leasehold land	12.33	-	4.31	**8.02**	0.76	0.16	0.38	**0.53**	**7.49**
Leasehold improvements	1.47	-	1.47	**-**	1.47	-	1.47	**-**	**-**
Freehold land^	3.90	-	1.30	**2.60**	-	-	-	**-**	**2.60**
Buildings^	36.95	-	11.25	**25.70**	5.04	1.07	2.04	**4.07**	**21.63**
Plant and machinery	3.49	0.15	2.16	**1.47**	2.54	0.32	1.60	**1.25**	**0.22**
Furniture and fixtures	5.93	0.02	1.70	**4.26**	3.46	0.58	1.32	**2.72**	**1.54**
Office equipment	2.37	0.01	1.13	**1.26**	1.58	0.17	1.04	**0.72**	**0.54**
Vehicles	1.59	-	1.59	**-**	1.57	-	1.57	**-**	**-**
Computers	5.79	0.02	0.74	**5.06**	3.80	0.89	0.72	**3.96**	**1.11**
Total	**73.82**	**0.20**	**25.65**	**48.37**	**20.22**	**3.19**	**10.14**	**13.25**	**35.13**

* Refer note 51, for disclosure related to "Assets held for sale".

^Land and Building at Ambattur amounting to ₹ 3.08 crores (2020 - ₹ 3.12 crores) are pending for registration in the name of the Company.

3 (b) Right of use Assets

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2021	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2021	As at 31.03.2021
Right of use assets	**2.52**	-	0.28	**2.24**	1.68	0.56	-	2.24	-
Total	**2.52**	**-**	**0.28**	**2.24**	**1.68**	**0.56**	**-**	**2.24**	**-**

3 (c) Capital work-in-progress

₹/Crores

Particulars	As at 01.04.2021	Additions	Capitalisation/ Adjustment	As at 31.03.2022
Capital work-in-progress	**0.16**	0.09	0.16	**0.09**

₹/Crores

Particulars	As at 01.04.2020	Additions	Capitalisation/ Adjustment	As at 31.03.2021
Capital work-in-progress	**-**	0.27	0.11	**0.16**

CWIP Ageing Schedule as on year ended March 31, 2022 and March 31, 2021

₹/Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	0.09 **(0.16)**	- -	- -	- -	0.09 (0.16)

Note: Previous year figures are given in brackets.

4 Intangible Assets

The changes in carrying value of intangible assets

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2022	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2022	As at 31.03.2022
Software	2.50	-	-	**2.50**	2.42	0.05	-	**2.46**	**0.04**
Total	**2.50**	**-**	**-**	**2.50**	**2.42**	**0.05**	**-**	**2.46**	**0.04**

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 31.03.2021
Software	2.50	-	-	2.50	2.14	0.28	-	2.42	0.08
Total	**2.50**	**-**	**-**	**2.50**	**2.14**	**0.28**	**-**	**2.42**	**0.08**

Title deeds of Immovable Property not held in name of the Company ₹/Crores

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ cr)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land and buildiings at Ambattur, Chennai (classified as held for sale)	D12 & D12-B SIDCO Ambattur Industrial Estate Chennai- 600058	5.58	HCL Peripherals Ltd	Refer note below	July 1, 1998	Refer note below

There is no immovable properties not held in the name of the company other than disclosed above, further the above mentioned property has classified as held for sale as on March 31, 2022 (refer note 51)

Ambattur, Chennai immovable property held in the name of HCL Peripherals Limited, which was a wholly owned subsidiary of HCI Corporation Limited (Parent Company) and got merged with parent company in the year 2010. The company acquired aforesaid immovable property from HCL Peripherals Limited in the year 1998 as part of Business Transfer Transaction. There is no dispute as to title of the property. As per the Business Transfer Agreement, in the event the company dispose off the property, HCL Peripherals and the company shall jointly execute and register sale deed in favour of the purchaser to convey a valid title to the purchaser

Particulars	As at 31.03.2022		As at 31.03.2021	
	Units	Amount ₹/Crores	Units	Amount ₹/Crores
5 Non-current investments				
Unquoted				
Investments in equity instruments of subsidiaries (At cost)				
Digilife Distribution and Marketing Services Limited	**5,60,50,000**	**56.05**	5,60,50,000	56.05
Pimpri Chinchwad eServices Limited	**42,500**	**0.04**	42,500	0.04
HCL Infotech Limited	**2,20,300**	**668.46**	2,20,300	668.46
HCL Learning Limited	**75,274**	**166.46**	75,274	166.46
		891.01		891.01
Less: Impairment in the value of investment *		**890.97**		890.97
Total investments in equity instruments of subsidiaries		**0.04**		0.04
* Impairment allowances for investment in subsidaries				
- Digilife Distribution and Marketing Services Limited		**56.05**		56.05
- HCL Infotech Limited		**668.46**		668.46
- HCL Learning Limited		**166.46**		166.46
		890.97		890.97
Aggregate book value of unquoted investments (net of impairment)		**0.04**		0.04
Aggregate amount of impairment in the value of investments		**890.97**		890.97
6 Current investments				
Unquoted (Others)				
Investment in mutual funds at FVTPL				
Growth options				
UTI Liquid Cash Plan	**51,937**	**18.01**	-	-
Aditya Birla Sun Life Savings Fund	**4,62,002**	**20.34**	-	-
HDFC Ultra Short Term Fund	**1,65,36,258**	**20.30**	-	-
ICICI Pru Ultra Short Term Fund - Growth	**90,59,195**	**20.31**	-	-
Total current investment		**78.96**		-
Aggregate amount unquoted investments		**78.96**		-
7 Other non-current financial assets				
Security deposits		**-**		0.67
Balance with bank- margin money*		**15.35**		13.41
Business consideration receivable		**6.49**		22.28
*Balances held as margin money towards obtaining Bank Guarantees.		**21.84**		36.36
7A Deferred tax assets (net)				
Deferred tax assets (refer note 48)		**-**		-
		-		-
8 Advance income tax asset (net of provisions)				
Advance income tax [Provision for income tax of ₹ 46.65 crores (2021 - ₹ 46.65 crores)]		**25.45**		39.13
		25.45		39.13

Particulars	As at 31.03.2022		As at 31.03.2021	
		Amount ₹/Crores		Amount ₹/Crores
9 Other non-current assets				
Unsecured				
Capital advances		**0.01**		0.01
Deposits with tax authorities		**130.60**		165.44
Prepaid expenses		**0.01**		0.01
		130.62		165.46
10 Inventories				
Stock-in-trade [Including in-transit Nil (2021 - ₹ 0.04 crores)]		**-**		0.53
		-		0.53
11 Trade receivables*				
Unsecured:				
Considered good	**1.12**		14.64	
Credit impaired	**23.44**		21.20	
	24.56		35.84	
Less : Allowance for doubtful debts	**23.44**	**1.12**	21.20	14.64
*refer note no 34 (ia) disclosure related to ageing of trade receivables.				
		1.12		14.64
12 Cash and cash equivalents				
Balances with banks				
- Current account		**10.26**		18.52
Cheques on hand		**-**		-
Bank deposits with original maturity of three months or less	**0.31**		0.31	
Less: Money held in trust	**0.31**	**-**	0.31	**-**
		10.26		18.52
13 Other bank balances				
Deposits with remaining maturity up to 12 months*		**16.66**		1.07
Balances with banks				
- On margin account^		**1.64**		4.60
		18.30		5.67
* includes ₹ 1.13 crores (2021- ₹ 1.07 crores) lien marked with Banks. ^ includes ₹ Nil crores (2021- ₹ 1.47 crores) which is held in the name of Karvy Innotech Limited for and on behalf of the Company.				
14 Loans				
Unsecured				
Considered good				
Loans and advances to subsidiaries (refer note 46)		**1.55**		2.81
Considered doubtful				
Loans and advances to subsidiaries (refer note 46)	**48.29**		70.05	
Less: Allowance for doubtful loans and advances to subsidiaries	**48.29**	-	70.05	-
		1.55		2.81
Note : Unsecured loan given to subsidiaries is repayable on demand and carries interest rate 3.56%-4.12% pa.				

Particulars	As at 31.03.2022		As at 31.03.2021	
		Amount ₹/Crores		Amount ₹/Crores
15 Other current financial assets				
Considered good				
Security deposits		**0.19**		0.18
Claims recoverable from vendor		**0.03**		2.30
Others (refer note 46)		**3.11**		3.55
Considered doubtful				
Others (includes employee advances, insurance claim recoverable)	**2.72**		5.06	
Less: Allowance for doubtful advances	**2.72**	**-**	5.06	-
Other Financial Assets (refer note 53)		**0.36**		10.25
		3.69		16.28
16 Other current assets				
Unsecured				
Considered good				
Balances with customs, port trust, excise, sales tax and goods and service tax authorities		**0.31**		6.56
Advances to creditors		**2.46**		0.20
Prepaid expenses		**2.20**		3.58
Others recoverable (including advance tax ₹ 14.59 crores (2021 - ₹ Nil)		**17.57**		2.34
Considered Doubtful				
Deposits and other advances	**1.79**		2.12	
Less: Allowance for doubtful advances	**1.79**	**-**	2.12	-
Other current assets (refer note 53)		**-**		8.67
		22.54		21.35
17 Share capital				
Authorised				
55,25,00,000 Equity Shares (2021 - 55,25,00,000) of ₹ 2/- each		**110.50**		110.50
5,00,000 Preference Shares (2021 - 5,00,000) of ₹ 100/- each		**5.00**		5.00
		115.50		115.50
Issued, Subscribed and Fully Paid up				
32,92,09,928 Equity Shares (2021 - 32,92,09,928) of ₹ 2/- each		**65.84**		65.84
		65.84		65.84

Notes:

(i) Rights attached to equity shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(ii) Shareholders holding more than 5% of the aggregate shares in the Company	Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Corporation Private Limited	**16,44,21,399**	49.94	16,44,21,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	**4,26,03,194**	12.94	4,26,03,194	12.94

(iii) Promoters shareholding in the Company	Number of Shares	% of shares	% change during the year	Number of Shares	% of shares
(a) HCL Corporation Private Limited	**16,44,21,399**	49.94	-	16,44,21,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	**4,26,03,194**	12.94	-	4,26,03,194	12.94
(c) Mr. Shiv Nadar	**3,055**	0.00	-	3,055	0.00
(d) Mrs. Roshni Nadar Malhotra	**2,893**	0.00	-	2,893	0.00
(e) Mrs. Kiran Nadar	**620**	0.00	-	620	0.00

Particulars	As at 31.03.2022 ₹/Crores	As at 31.03.2021 ₹/Crores
18 Other Equity		
A. Reserve and surplus		
(a) Securities premium reserves		
Opening balance	**1,194.38**	1,194.38
Closing Balance	**1,194.38**	1,194.38
(b) General reserve		
Opening balance	**215.83**	215.83
Closing balance	**215.83**	215.83
(c) Retained earnings		
Opening balance	**(1,720.88)**	(1,515.87)
Net Profit/(Loss) for the year	**24.68**	(204.76)
Remeasurement of post employment benefit obligation, (net of tax)	**(0.25)**	(0.25)
Closing balance	**(1,696.45)**	(1,720.88)
	(286.24)	(310.67)
19 (i) Non-current borrowings (Refer note 41 for status of charges)		
Unsecured:		
Term Loans		
- From others	**13.83**	59.03
	13.83	59.03
Notes: 1. Unsecured Term loans from Others amounting to ₹ 59.03 Crores (2021 - ₹ 122.35 Crores), out of which ₹ 45.20 Crores (2021 - ₹ 63.32 Crores) is shown under current borrowings (refer note 21), is repayable in 12 equal quarterly instalments from the date of the disbursement which carries interest @ 10.75% to 10.98% p.a.		
20 Non-current provisions		
Provision for gratuity and other employee benefits (refer note 45) [includes ₹ 0.13 crores (2021 - ₹ 0.15 crores) for leave encashment and ₹ 0.01 crores (2021 - ₹ 0.04 crores) other employee benefits]	**0.78**	0.84
	0.78	0.84

Particulars		As at 31.03.2022 ₹/Crores	As at 31.03.2021 ₹/Crores
21	**Current borrowings**		
	Unsecured:		
	Loans		
	- From others*	**-**	99.89
	- From related parties (refer note 46)	**355.00**	315.00
	Borrowings		
	Current maturities of long-term borrowings {refer note 19(i)}	**45.20**	63.32
		400.20	478.21
		400.20	478.21
	Notes:		
	1. Unsecured Intercorporate Loan from HCL Corporation Private Limited amounting to ₹ 355 Crs (2021 - ₹ 315 Crores) is repayable in 11 months from the date of availment of each tranche, which is interest free.		
	2. Short Term Loan of Nil (2021 - ₹ 99.88 Crores) is supported by Corporate Guarantee of ₹ 100 Crs from HCL Corporation Private Limited has been fully repaid during the current financial year and was carrying interest @ 10.25% p.a.		
	3. The company has obtained borrowings based on security of current assets, our disclosue w.r.t submission of quartery return with banks / financial institutions is not required since there is no such submission is required as per the terms of loan agreement.		
22	**Trade payables* (refer note 46)**		
	Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises (refer note 38) and	**2.63**	1.89
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note below)# [includes acceptance ₹ Nil crores (2021- ₹ Nil)]	**47.55**	38.50
		50.18	40.39
	*refer note no 34 (iia) disclosure related to ageing of trade payable		
	# includes provision for loss on subsidaries ₹ 53.38 crores (2021 - ₹ 2.79 crores) refer note 36		
23	**Other current financial liabilities**		
	Interest accrued but not due on borrowings	**0.92**	2.35
	Deposits	**0.86**	1.34
	Employee benefits payable	**3.12**	6.37
	Capital creditors	**0.20**	0.20
	Advances received against sale of HCL Infotech Limited (refer Note 49)	**2.00**	2.00
		7.10	12.26
24	**Other current liabilities**		
	Deferred revenue	**1.88**	2.62
	Advances received from customers	**3.35**	3.61
	Others	**2.25**	1.86
	Statutory dues payable	**0.47**	1.14
	Advances received against Non-current assets held for sale	**0.25**	4.25
		8.20	13.48

Particulars		As at 31.03.2022 ₹/Crores	As at 31.03.2021 ₹/Crores
25	**Current provisions**		
	Provision for gratuity and other employee benefits (refer note 45)#	**1.31**	3.46
	Provision for Loss on subsidary	**53.38**	-
	Provision for litigation {refer note 37 (c)}	**10.96**	8.38
		65.65	11.84
	[# includes ₹ 0.11 Crores (2021- ₹ 0.24 crores) for provision for leave encashment and ₹ 0.10 Crores (2021 - ₹ 2.07 Crores) for other employee benefits]		

Particulars		Year ended 31.03.2022 ₹/Crores	Year ended 31.03.2021 ₹/Crores
26	**Revenue from operations**		
	Sale of products	**-**	217.08
	Sale of services	**9.19**	0.28
		9.19	217.36
27	**Other income**		
	Interest income from financial asset at amortised cost		
	- On fixed deposits	**1.60**	2.25
	- On option convertible debenture	**0.40**	-
	- On intercompany deposits	**0.18**	0.04
	Net gains (losses) on fair value changes on investments	**0.97**	**-**
	Gain on sale of investment carried at FVTPL	**0.37**	-
	Net profit on sale of property, plant and equipment	**0.10**	0.19
	Gain on foreign exchange fluctuation	**0.66**	0.22
	Provisions/liabilities no longer required written back	**11.02**	14.88
	Scrap sale	**0.31**	0.14
	Miscellaneous income	**2.49**	4.50
	Interest income from Income tax authorities*	**10.27**	1.41
		28.37	23.63
	*The amount shown under the head "Interest of IT Refund" includes ₹ 8.67 crores of interest on IT refund received during the year through Karvy innotech Ltd. as part of the Second Stage Consideration payable according to the provisions of clause 2.3.2 (a) of the Share Purchase Agreement dated 31.05.2018.		
28	**Changes in inventories of stock-in-trade**		
	Closing balance		
	- Stock-in-trade	**-**	0.53
		-	0.53
	Opening balance		
	- Stock-in-trade	**0.53**	24.24
		0.53	24.24
	Changes in inventories of stock-in-trade	**0.53**	23.71
29	**Other direct expenses**		
	Purchase of services	**0.26**	0.41
	Spares and stores consumed	**0.36**	0.37
		0.62	0.78

Particulars		Year ended 31.03.2022 ₹/Crores	Year ended 31.03.2021 ₹/Crores
30	**Employee benefits expense**		
	Salaries, wages, bonus and gratuity (refer note 45)	**6.29**	27.32
	Contribution to provident and other funds (refer note 45)	**0.27**	0.86
	Staff welfare expenses	**0.12**	0.20
		6.68	28.38
31	**Finance costs**		
	Interest*	**12.64**	46.88
	Other borrowing costs	**-**	2.62
		12.64	49.50
	*includes ₹ Nil (2021 - ₹ 0.04 crores) interest on lease obligations (refer note 42)		
32	**Other expenses**		
	Rent (refer note 42)	**0.97**	2.30
	Rates and taxes	**6.21**	9.66
	Printing and stationery	**0.16**	0.22
	Communication	**0.58**	0.55
	Travelling and conveyance	**0.26**	0.02
	Packing, freight and forwarding	**0.00**	0.61
	Legal, professional and consultancy charges (refer note 40)	**13.99**	16.16
	Retainership expenses	**4.31**	5.47
	Training and conference	**0.00**	0.01
	Office electricity and water	**1.04**	1.72
	Insurance	**0.75**	3.68
	Advertisement, publicity and entertainment	**0.09**	0.42
	Hire charges	**0.04**	0.02
	Commission on sales	**-**	0.17
	Bank charges	**0.32**	1.16
	Allowance for doubtful debts	**2.24**	3.20
	Change in fair value of OCD (refer note 53)	**15.56**	-
	Provision for doubtful other current assets	**2.73**	0.08
	Property, plant and equipment written-off	**0.06**	0.40
	Provision for Input tax credit	**8.89**	17.59
	Repairs		
	- Plant and machinery	**-**	0.00
	- Buildings	**0.07**	0.06
	- Others	**2.24**	8.13
	Miscellaneous	**1.53**	2.82
		62.04	74.45
	Less: Operating cost recovered from subsidiaries (refer note 46)	**5.60**	7.46
		56.44	66.99

Financial Instruments and Risk Management

33 Fair Value Measurements

The carrying value of financial instruments by categories are as under :

₹/Crores

Particulars	Notes	At cost	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets						
Non-current assets						
(i) Investment in subsidiaries	**5**	**0.04**	**-**	**-**	**0.04**	**0.04**
		(0.04)	-	-	(0.04)	(0.04)
(ii) Others	**7**	**-**	**-**	**21.84**	**21.84**	**21.84**
		-	-	(36.36)	(36.36)	(36.36)
		0.04	-	**21.84**	**21.88**	**21.88**
		(0.04)	-	(36.36)	(36.40)	(36.40)
Current assets						
(i) Investments	**6**	**-**	**78.96**	**-**	**78.96**	**78.96**
		-	-	-	-	-
(ii) Trade receivables	**11**	**-**	**-**	**1.12**	**1.12**	**1.12**
		-	-	(14.64)	(14.64)	(14.64)
(iii) Cash and cash equivalents	**12**	**-**	**-**	**10.26**	**10.26**	**10.26**
		-	-	(18.52)	(18.52)	(18.52)
(iv) Other bank balances	**13**	**-**	**-**	**18.30**	**18.30**	**18.30**
		-	-	(5.67)	(5.67)	(5.67)
(v) Loans	**14**	**-**	**-**	**1.55**	**1.55**	**1.55**
		-	-	(2.81)	(2.81)	(2.81)
(vi) Others	**15**	**-**	**-**	**3.69**	**3.69**	**3.69**
		-	-	(16.28)	(16.28)	(16.28)
		-	**78.96**	**34.92**	**113.88**	**113.88**
		(-)	(-)	(57.92)	(57.92)	(57.92)
Financial liabilities						
Non-current liabilities						
(i) Borrowings	**19(i)**	**-**	**-**	**13.83**	**13.83**	**13.83**
		-	-	(59.03)	(59.03)	(59.03)
		-	**-**	**13.83**	**13.83**	**13.83**
		(-)	(-)	(59.03)	(59.03)	(59.03)
Current liabilities						
(i) Borrowings	**21**	**-**	**-**	**400.20**	**400.20**	**400.20**
		-	-	(478.21)	(478.21)	(478.21)
(ii) Trade payables	**22**	**-**	**-**	**50.18**	**50.18**	**50.18**
		-	-	(40.39)	(40.39)	(40.39)
(iii) Other financial liabilities	**23**	**-**	**-**	**7.10**	**7.10**	**7.10**
		-	-	(12.25)	(12.25)	(12.25)
		-	**-**	**457.48**	**457.48**	**457.48**
		(-)	(-)	(530.85)	(530.85)	(530.85)

Note: Previous year figures are given in brackets.

34 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Investments,trade receivables,cash and cash equivalents,bank balances, loans and other financial assets	Ageing analysis,credit appraisal	Diversification of bank deposits, investments, credit limits and letters of credit
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities and liquid investments and financial support from parent company
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Indian rupee (INR)	Hedging percentage sensitivity analysis	Forward foreign exchange contracts

The Company's risk management is carried out by the treasury under policies approved by the senior management and audit committee.

Financial Risk Management

34 (i) Credit Risk

Credit risk arise from possibility that customer may default on its obligation resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivables.

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

The credit risk is managed by the Company through credit approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of accounts receivables. Individual limits are set accordingly by the Company's credit control department.

The Company uses a provision matrix to compute the expected credit loss for trade receivables. The provision matrix takes into consideration historical credit loss experience and other relevant available external and internal credit risk factors.

Following table provides agewise breakup of receivables

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Not Due	**1.12**	7.88
0-90 days past due	**0.50**	3.57
91-180 days past due	**0.11**	0.22
181-365 days past due	**0.69**	3.12
1 - 2 years past due	**0.77**	0.71
More than 2 years past due	**21.37**	20.34
	24.56	**35.84**

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a trade receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement profit and loss.

The summary of life time expected credit loss allowance made on customer balances during the year and balance at the year end is given below:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning	**21.20**	37.98
Add: Provided during the year	**2.24**	3.28
Less: Amounts written off	**-**	(20.06)
Balance at the end	**23.44**	21.20
Weighted average loss rate (in percentage)	**95.46%**	59.15%

34 (ia) Ageing Schedule in respect of trade receivables for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables-considered good	1.12	-	-	-	-	-	1.12
	(7.88)	(3.79)	(2.97)	-	-	-	(14.64)
(b) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
(c) Undisputed trade receivables - credit impaired	-	0.61	0.69	0.77	-	21.37	23.44
	-	-	(0.15)	(0.71)	-	(20.34)	(21.20)
(d) Disputed trade receivables - considered good	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
(e) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
(f) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	1.12	0.61	0.69	0.77	-	21.37	24.56
	(7.88)	(3.79)	(3.12)	(0.71)	-	(20.34)	(35.84)
Less: Allowance for doubtful debts							23.44
							(21.20)
Total							1.12
							(14.64)
Unbilled Revenue (refer note 15)							0.85
							-
Total							1.97
							(14.64)

Note: Previous year figures are given in brackets.

34 (ib) Relationship with struck off Companies for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Name of Struck companies	Nature of transactions	Balance Outstanding	Relationship
Arka Racks Information Systems	Trade receivable	0.04 (0.04)	Customer
Asian Cerc Information	Advance from customer	0.01 (0.01)	Customer
Sandeep Marketing Pvt. Ltd.	Advance from customer	0.00 (0.00)	Customer
Lure Info Solution Pvt.Ltd	Advance from customer	- (0.00)	Customer

Note: Previous year figures are given in brackets.
Amount in '00' represents less than ₹ one lakh rupees.

Financial Risk Management

34 (ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

₹/Crores

Particulars	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
Non-derivatives						
Borrowings						
- From Banks	**-**	-	-	-	-	-
	-	-	-	-	-	-
- From Others	**414.03**	-	**400.20**	**13.83**	-	-
	(537.25)	-	(478.22)	(59.03)	-	-
Trade payables	**50.18**	-	**50.18**	-	-	-
	(40.39)	-	(40.39)	-	-	-
Other financial liabilities						
- Deposits	**0.86**	-	**0.86**	-	-	-
	(1.34)	-	(1.34)	-	-	-
- Interest accrued but not due on borrowings	**0.92**	-	**0.92**	-	-	-
	(2.35)	-	(2.35)	-	-	-
- Other Payable to related parties	**-**	-	**-**	-	-	-
	(0.00)	-	(0.00)	-	-	-
- Capital Creditors	**0.20**	-	**0.20**	-	-	-
	(0.20)	-	(0.20)	-	-	-
- Unpaid dividends/ deposits	**-**	-	**-**	-	-	-
	(0.00)	-	(0.00)	-	-	-
- Employee Benefits Payable	**3.12**	-	**3.12**	-	-	-
	(6.37)	-	(6.37)	-	-	-
- Others	**2.00**	-	**2.00**	-	-	-
	(2.00)	-	(2.00)	-	-	-
Total non-derivative liabilities	**471.31**	**-**	**457.48**	**13.83**	**-**	**-**
	(589.89)	(0.00)	(530.87)	(59.03)	(0.00)	(0.00)

Note: Previous year figures are given in brackets.

34 (iia) Ageing Schedule in respect of trade payable for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	**0.25** -	**0.39** (0.01)	**0.11** -	**0.02** -	**1.86** (1.88)	**2.63** (1.89)
(b) Others	**0.17** (0.85)	**22.24** (4.26)	**0.00** (1.05)	**0.36** -	**2.26** (1.65)	**25.03** (7.81)
(c) Disputed dues - MSME	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
(d) Disputed dues - Others	**-** -	**-** (0.26)	**0.26** (1.59)	**1.59** -	**-** -	**1.85** (1.85)
Total	**0.42** (0.85)	**22.63** (4.53)	**0.37** (2.64)	**1.97** -	**4.12** (3.53)	**29.51** (11.55)
Unbilled Dues						20.67 (28.84)
Total						**50.18** (40.39)

Note: Previous year figures are given in brackets.

34 (iib) Relationship with struck off Companies for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Name of Struck companies	Nature of transactions	Balance Outstanding	Relationship
Arka Industrial Monitoring	Trade Payable	- (0.00)	Vendor
Fg Events Private Limited	Trade Payable	0.00 (0.00)	Vendor
Global Securities	Trade Payable	0.00 (0.00)	Vendor
Green Trans Solutions Private Limited	Advances to vendor	- (0.00)	Vendor
Netfocus Technologies Private Limited	Trade Payable	0.01 (0.01)	Vendor
Team Imaging Private Limited	Trade Payable	0.00 (0.00)	Vendor
Readybakes Pvt Ltd	Advances to vendor	- (0.00)	Vendor
Metropolitan Stationers (Bombay)	Trade Payable	0.00 (0.00)	Vendor
Compusoft Vision Pvt Limited	Trade Payable	0.00 (0.00)	Vendor
Himex Couriers & Cargo Pvt. Ltd.	Trade Payable	0.00 (0.00)	Vendor
Ctl Telecom Pvt Ltd	Trade Payable	0.00 (0.00)	Vendor
V.Net Technology Pvt Ltd	Trade Payable	0.00 (0.00)	Vendor
Voipnet Technologies Pvt. Ltd.	Trade Payable	0.00 (0.00)	Vendor

Note: Previous year figures are given in brackets.
Amount in ‘00’ represents less than ₹ one lakh rupees.

Financial Risk Management

Market Risk

(i) Interest rate risk

The Company's interest rate risk arise from borrowings with variable interest rates, which exposes the Company to cash flow interest rate risk. As at 31.03.2022, the Company has Nil (2021- Nil) of borrowings with variable interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing of fixed rate and floating rate financial instruments in its total portfolio.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Variable rate borrowings	-	-
Fixed rate borrowings	414.03	537.25
Total borrowings	**414.03**	**537.25**

As at the end of the reporting period, the Company had the following variable rate borrowings:

	As at 31.03.2022			As at 31.03.2021		
Particulars	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans, Cash credits	**0.00%**	**-**	**0.00%**	0.00%	-	0.00%
Net exposure to cash flow interest rate risk		**-**			-	

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on loss after tax		Impact on other components of equity	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Interest rates - increase by 10 basis points	**-**	-	**-**	-
Interest rates - decrease by 10 basis points	**-**	-	**-**	-

Financial Risk Management

Market Risk

(ii) Foreign currency risk

The Company's major operations are in India and are in INR and therefore, the Company is not exposed to significant foreign currency risk. The Company evaluates the exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies which are approved by the senior management and the Audit Committee, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows.

₹/Crores

	USD	SGD
Financial Assets		
Trade receivables	**6.05**	**-**
	(8.60)	(0.00)
Cash and cash equivalents	**-**	**0.00**
	(0.00)	(0.02)
Net exposure to foreign currency risk (assets)	**6.05**	**0.00**
	(8.60)	(0.02)
Financial Liabilities		
Trade Payables	**3.62**	**-**
	(2.92)	-
Derivative liabilities		
Foreign exchange forward contracts	**-**	**-**
	(0.00)	-
Net exposure to foreign currency risk (liabilities)	**3.62**	**-**
	(2.92)	-

Note: Previous year figures are given in brackets.

(b) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures relating to financial instruments to reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ Crores)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
USD sensitivity	5%	**0.12**	0.28	**(0.12)**	(0.28)
SGD sensitivity	5%	**0.00**	0.00	**(0.00)**	(0.00)

35 Capital Management

Risk Management

The Company's objective when managing capital are to safeguard their ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure as at 31.03.2022 and 31.03.2021 are as follows:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Total Debt	**414.03**	537.25
Equity	**(220.41)**	(244.83)
Capital and net debt	**193.62**	292.41
Gearing ratio	**213.84%**	183.73%

36 Exceptional items :

₹/Crores

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
a. Loss on conversion of loan given to HCL Infotech Limited into Optionally Convertible Debentures (OCD)	**-**	(6.31)
b. (Provision)/reversal against loan given to HCL Infotech Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited	**21.69**	(81.78)
c. Provision for impairment of property (refer note 51)	**(3.33)**	-
d. Provision for loss in subsidiary	**(50.59)**	(2.79)
e. Profit on sale of properties (refer note 51)	**104.84**	-
Total	72.61	(90.88)

a) The company has recognised a loss on of ₹ Nil (2021 - ₹ 6.31 Crores), upon conversion of net balance of unsecured loan, into Optionally Convertible Debentures. (refer note 52).

b) The company has given inter company loans to its wholly owned subsidiaries, HCL Infotech Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited. The Company, considering that HCL Infotech Limited has negative net worth as on 31.03.2022, due to continuous loss incurred by the entity and based on future plan of this entity, may not be able to recover the loan given to HCL Infotech Limited upto the value of its negative net worth of the entity. Further, in case of HCL Learning Limited and Digilife Distribution and Marketing Services Limited, the Company doesn't expect significant operation over the next period, accordingly management based on future cash flow projection has considered these loan as doubtful and created a provision to the extent it is not recoverable. The Company has reversed provision of ₹ 21.69 crores in respect of loan given to HCL Infotech Limited basis the actual recovery of amount during the year.

c) The Company has made provision of ₹ 50.59 crores (2021- ₹ 2.79 crores) , on account of accumulated losses and erosion of net worth of HCL Infotech Limited, as at the balance sheet date.

37 a) Contingent liabilities :

Claims against the Company not acknowledged as debts:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Sales tax*	**115.46**	120.01
Excise*	**460.03**	459.78
Income tax	**34.84**	34.84
Industrial disputes, civil suits and consumer disputes	**3.54**	2.35

* Includes sum of ₹ 134.88 crores (2021 - ₹ 135.38 crores) deposited by the Company against the above.

The amounts shown in item (a) represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the out come of the different legal processes which have been initiated by the Company or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

b) Corporate guarantees :

Corporate guarantee of ₹ 38.35 crores (2021- ₹ 38.35 crores) was given to banks and financial institutions for working capital facilities sanctioned to subsidiaries of which the total amount utilised as at 31.03.2022 is ₹ 0.26 crores (2021 - ₹ 0.98 crores).

c) Other litigations :

"A Charge Sheet No. 01/2012 was filed before the Court against several persons (including a public servant) alleging misappropriation of funds with respect to a contract (for supply of computer hardware and related services under the NRHM Scheme) which was awarded to the Company in 2009 by the UP Government. Subsequent to death of sole public servant, a supplementary Charge Sheet No. 01/2014 was filed with the Court alleging the Company and its employee, therefore summons issued by the Court. The said supplementary charge sheet was purportedly subsequent to further investigation, however the same is without detailing the nature of additional documents and/or statements connecting the Company and/or its employee to any offence. Currently, the case is pending for Prosecution Evidence, however the proceedings have been stayed by the Supreme Court. Management is of the view that the Company has not engaged in any wrong doing and has sufficient defense as regards accusation of "Downward Price Revision" and will succeed in establishing that the same is a false allegation."

d) As at 31.03.2022, the Company has certain sales tax and other indirect tax litigation matters against which provision amounts to ₹ 10.96 crores (2021 - ₹ 8.38 crores) is outstanding. Provision amounting to ₹ 3.16 crores (2021 - ₹ 2.72 crores) was created and ₹ 0.67 crores (2021 - ₹ 0.84 crores) was utilized during the year.

38 Disclosure of Micro and Small Enterprises based on information available with the Company:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
a. (i) Principal amount remaining unpaid to any supplier as at the end of the year	**2.63**	1.89
(ii) Interest due on the above amount	**0.03**	0.10
b. (i) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act)	**-**	-
(ii) Amount of principal payments made to the suppliers beyond the appointed day during the year	**39.65**	28.89
c. Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act	**-**	-
d. Amount of interest accrued and remaining unpaid at the end of the year	**0.63**	0.54
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**-**	-

39 As per provisions of Section 135 of the Companies Act, 2013, the Company has to provide at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The Company was not required to spend/contribute to CSR activity during the year as per Section 135 of the Companies Act, 2013 as average net profit for the last three financial year is negative.

40 Remuneration to Auditors*:

₹/Crores

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
a. Auditor	**0.50**	0.50
b. For taxation matters	**-**	0.24
c. For company law matters	**-**	0.08
d. For other services	**0.07**	-
e. For reimbursement of expenses	**0.03**	0.02
Total	**0.60**	0.84

* excluding GST as applicable

41 Status of Charges beyond statutory period (borrowings)

The following satisfaction is yet to registered with Registrar of Companies beyond statutory period for the year ended March 31, 2022.

Charge Id	Charge Holder Name	Date of Creation/ Modification	Brief description of charges	Location of registrar	Period of delay (in month)	Amount in INR	Reason for delay
90060501	Indian Bank	27/11/2002	working capital loan from banks	Delhi		10,70,00,000	
90045479	State Bank of Mysore	13/01/1989	working capital loan from banks	Delhi		50,00,000	
90045470	United Commercial Bank	22/12/1988	working capital loan from banks	Delhi		1,58,00,000	
90045466	State Bank of Hyderabad	09/12/1988	working capital loan from banks	Delhi	Refer note 1	26,00,000	Refer Note 1
90045429	State Bank of Patiala	07/09/1988	for purchase of plant and machinery	Delhi		75,00,000	
90161667	State Bank of Mysore	15/07/1982	Not available in records	Delhi		2,00,000	

Note 1: The above charges are appearing on ROC website in respect of facilities availed by the Company in earlier years and closed long time back. Satisfaction of above with ROC requires no objection certificate from respective lenders which could not be obtained due to:

- Lenders are unable to find any details of these charges in their system as these are very old charges
- Some banks have got merged into other banks and in transition these charges are not appearing in their records.

42 Leases:

a) Cancelable Operating Leases

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of the assets given on operating lease are as below*:

₹/Crores

Particulars	As at	Gross Block	Accumulated Depreciation	Net Block	Depreciation Expense
Freehold Land	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(1.87)	-	(1.87)	-
Building	**31.03.2022**	0.00	0.00	**-**	**-**
	31.03.2021	(13.47)	(1.46)	(12.01)	(0.25)
Plant and Machinery	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(2.16)	(1.93)	(0.23)	(0.23)
Furniture and Fixtures and Office Equipments	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(5.22)	(3.31)	(1.91)	(0.48)
Computers	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(0.16)	(0.16)	(0.00)	(0.00)
TOTAL	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(22.88)	(6.86)	(16.02)	(0.96)

Note: Previous year figures are given in brackets.

*The premises given on lease has been classified as held for sale as at March 31, 2022 (refer note 51)

b) As a Lessee

The Company has taken godown premises under lease. These are generally not non-cancellable leases having unexpired period upto three years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement. In terms of criteria specified in Ind AS 116 Leases, for some of these leases (i.e. leases other than with short term period or low value assets), present value of all future lease payments has been recognised as right-of-use assets and corresponding lease liabilities with the charge for depreciation on right-of-use assets and interest on lease liabilities in the statement of profit and loss during the previous year (refer note 3 & 31).

And for other leases, yearly lease payments is expensed off on straight line basis over lease term as rent expenses (refer note 32).

Payments recognised as expense

₹/Crores

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Depreciation expense - right-of-use assets (refer note 3)	**-**	0.56
Interest on lease liabilities (refer note 31)	**-**	0.04
Rent expense - variable lease payments	**-**	-
Rent expense - short term leases (refer note 32)	**0.97**	2.30

Total cash outflow for leases during the year ended 31 March 2022 is ₹ Nil (2021 - ₹ 1.03 crores).

43 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The loss considered in ascertaining the Company EPS represent loss for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit/(Loss) after tax (₹ /Crores)	**24.68**	(204.76)
Weighted average number of shares outstanding in computation of Basic EPS	**32,92,09,928**	32,92,09,928
Weighted average number of shares outstanding in computation of Diluted EPS	**32,92,09,928**	32,92,09,928
Basic and diluted (of ₹ 2/- each)	**₹ 0.75**	(₹ 6.22)

44 Segment Reporting

The Company publishes standalone financial statements along with the consolidated financial statements in the annual report. In accordance with Indian Accounting Standard 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

45 Employee benefits

(a) Defined Contribution

The Company has recognised the following amounts in the statement of profit and loss:

₹/Crores

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(i) Employers Contribution to Superannuation Fund*	**0.02**	0.14
(ii) Employers Contribution to National Pension Scheme*	**0.02**	0.06
(iii) Employers contribution to Employee State Insurance*	**0.00**	0.00
(iv) Employers contribution to Employee’s Pension Scheme 1995*	**0.09**	0.25

* Included in contribution to provident and other funds under Employee benefits expense (refer note 30).

(b) Defined Benefit

(i) Gratuity

(ii) Provident Fund

The Company contributes to the employee provident fund trust “Hindustan Computers Limited Employees Provident Fund Trust” which is managed by the Company. The Company’s Provident Fund Trust is exempted under Section 17 of Employees’ Provident Fund Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. As per Ind AS – 19, Employee Benefits, provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The Trust includes employees of the Company as well as of it's Indian wholly owned subsidiaries. In view of the same, it is a multi employer defined benefit plan.

The Trust has been investing the provident fund contributions of the employees of it's Indian wholly owned subsidiaries in a composite manner and the same cannot be separately identified entity wise.

In view of the same an actuarial valuation, in accordance with the Ind AS-19, was carried out at composite level. As per actuarial certificate there is no shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the "liability on account of interest rate guarantee" is nil.

In accordance with Ind AS 19, an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Gratuity		Provident Fund	
	Year ended 31.03.2022	**Year ended 31.03.2021**	**Year ended 31.03.2022**	**Year ended 31.03.2021**
Discount rate (per annum)	**5.03%**	4.59%	**-**	-
Rate of increase in compensation levels	**7.00%**	5.00%	**-**	-
Rate of return on plan assets	**-**	-	**-**	-
Expected statutory interest rate	**-**	-	**8.10%**	8.50%
Expected short fall in interest earnings	**-**	-	**0.05%**	0.05%
Expected average remaining working lives of employees (years)	**9.92**	10.25	**9.92**	10.25

As of 31.03.2022, every 0.5 percentage point increase / decrease in discount rate will affect gratuity benefit obligation by approximately by ₹ 0.01 crores.

As of 31.03.2022, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect gratuity benefit obligation by approximately ₹ 0.01 crores.

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

₹/Crores

Particulars	As at 31.03.2022		As at 31.03.2021	
	Gratuity	**Provident Fund**	**Gratuity**	**Provident Fund**
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	**1.44**	**130.66**	3.37	133.22
Current service cost	**0.07**	**1.59**	0.09	1.06
Interest cost	**0.07**	**10.10**	0.19	10.95
Total amount recognised in profit or loss	**0.14**	**11.68**	0.28	12.01

₹/Crores

Particulars	As at 31.03.2022		As at 31.03.2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/loss from change in demographic assumptions	**0.03**	**-**	0.01	-
Actuarial (gain)/loss from change in financial assumptions	**0.02**	**(0.00)**	0.02	0.00
Experience (gain)/loss	**0.20**	**(1.65)**	(0.28)	0.09
Total amount recognised in other comprehensive income	**0.25**	**(1.65)**	(0.25)	0.09
Benefits paid	**(0.78)**	**(28.54)**	(1.97)	(19.84)
Settlements/transfer in	**-**	**0.23**	-	1.36
Contribution by plan participants	**-**	**0.41**	-	3.82
Present value of obligation at the end of the year	**1.06**	**112.79**	1.44	130.66

Particulars	As at 31.03.2022 Provident Fund	As at 31.03.2021 Provident Fund
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	**151.75**	152.56
Expected return on plan assets	**12.09**	12.79
Contribution by employer	**1.59**	1.06
Settlements/transfer In	**0.23**	1.36
Contribution by employee	**0.41**	3.82
Benefit paid	**(28.54)**	(19.84)
Actuarial gain/(loss) on plan assets	**-**	**-**
Difference in opening	**-**	0.00
Fair value of plan assets at the end of the year	**137.53**	151.75

Particulars	31.03.2022		31.03.2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Cost recognised for the year :				
Current service cost	**0.07**	**-**	0.09	-
Company contribution to provident fund @	**-**	**1.59**	-	1.06
Interest cost	**0.07**	**-**	0.19	-
Actuarial (gain)/loss	**0.25**	**-**	(0.25)	-
Net cost recognised for the year*	**0.39**	**1.59**	0.04	1.06

* Included in salaries, wages, bonus and gratuity for gratuity and contribution to provident and other funds for provident fund under employee benefits expense (refer note 30) and other comprehensive income.

@ The Company's contribution to provident fund for the year is ₹ 0.13 crores (2021 - ₹ 0.40 crores) and the remaining relates to other related companies as mentioned above.

The major categories of plan assets are as follows:

Particulars	As at 31.03.2022 Unquoted in %	As at 31.03.2021 Unquoted in %
Central government securities	**41.00**	41.62
State government securities	**21.00**	19.90
Public sector bonds	**25.00**	25.31
Special deposit scheme	**12.00**	10.65
Equity	**1.00**	0.55
Bank balance	**-**	1.97
Total	**100.00**	**100.00**

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

₹/Crores

Particulars	Gratuity	
	As at 31.03.2022	As at 31.03.2021
Present value of the obligation as at the end of the year	**1.06**	1.44
Assets/(Liabilities) recognised in the Balance Sheet	**(1.06)**	(1.44)
Experience adjustment in plan liabilities	**0.20**	(0.28)

₹/Crores

Particulars	Provident Fund	
	As at 31.03.2022	As at 31.03.2021
Present value of the obligation as at the end of the year	**(112.79)**	(130.66)
Fair value of plan assets at the end of the year	**137.53**	151.75
Assets/(Liabilities) recognised in the Balance Sheet	**-****	-**

The Company expects to pay ₹ 0.40 crores in contributions to its defined benefits plan in next financial year.

** As there is surplus, the same has not been recognised in Balance Sheet.

46 Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Corporation Private Limited

b) List of parties where control exists/existed:

Subsidiaries:

HCL Infotech Limited
HCL Learning Limited
Digilife Distribution and Marketing Services Limited
Pimpri Chinchwad eServices Limited (holding 85% of shareholding)
HCL Investments Pte. Limited, Singapore
Nurture Technologies FZE, (formerly known as HCL Infosystems MEA FZE), Dubai

c) Others (Enterprises over which, individual having indirect significant influence over the company, has significant influence) and with whom transactions have taken place during the year and/or where balances exist:

HCL Technologies Limited
HCL Comnet Limited (Amalgamated with HCL Technologies Limited in July 2020)
HCL Talent Care Private Limited (Merged with HCL Corporation Private Limited)
VAMA Sundari Investments (Delhi) Private Limited
Shiv Nadar Foundation
Naksha Enterprises Private Limited

d) Key Management Personnel:

Mr. Kapil Kapur -CFO (Mr. Kapil Kapur resigned from the position of CFO w.e.f. 31st May, 2021 and Mr. Alok Sahu was appointed as CFO w.e.f. 1st June, 2021

Mr. Sushil Jain- Company Secretary (Mr. Sushil Jain was superannuated w.e.f. closing hours of 31st March, 2021 and Ms. Komal Bathla was appointed as Company Secretary w.e.f. 1st April, 2021)

Mr. Raj Sachdeva was appointed as the Manager of the Company w.e.f. 1st May 2021, approval of shareholders have been taken in the Annual General Meeting held on 22nd September, 2021

Mr. Vinod Pulyani had been appointed as the Manager of the Company w.e.f. 29th September 2020 subject to the approval of the shareholders in the next Annual General Meeting. He subsequently resigned from the position of the manager of the Company w.e.f. 30th April 2021.

Summary of Related Party disclosures **(₹ Crores)**

A. Transactions (YTD)	Company having substantial interest*#		Subsidiaries		Others		Key Management Personnel		Total	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Sales and Related Income	-	-	-	**11.55**	-	**17.23**	-	-	-	**28.78**
- Digilife Distribution and Marketing Services Ltd.	-	-	-	11.55	-	-	-	-	-	11.55
- HCL Technologies Limited	-	-	-	-	-	17.14	-	-	-	17.14
- SSN Trust	-	-	-	-	-	0.02	-	-	-	0.02
- KRN Education Private Limited	-	-	-	-	-	0.04	-	-	-	0.04
- Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	-	0.03	-	-	-	0.03
Assets Sold	-	-	-	**0.05**	-	-	-	-	-	**0.05**
- HCL Infotech Limited	-	-	-	0.05	-	-	-	-	-	0.05
Purchase of Fixed Assets	-	-	-	**0.02**	-	-	-	-	-	**0.02**
- HCL Infotech Limited	-	-	-	0.02	-	-	-	-	-	0.02
Impairment allowance provided on loan and advances	-	-	**-21.86**	**81.78**	-	-	-	-	**-21.86**	**81.78**
- HCL Infotech Limited	-	-	-22.29	73.12	-	-	-	-	-22.29	73.12
- HCL Learning Limited	-	-	-1.00	7.16	-	-	-	-	-1.00	7.16
- Digilife Distribution and Marketing Services Limited	-	-	1.42	1.50	-	-	-	-	1.42	1.50
Current borrowings taken (net)	**40.00**	**289.00**	-	-	-	-	-	-	**40.00**	**289.00**
- HCL Corporation Pvt. Ltd.	40.00	289.00	-	-	-	-	-	-	40.00	289.00
Loans and Advances Refunded/ Adjusted (Net)	-	-	**21.83**	**699.55**	-	-	-	-	**21.83**	**699.55**
- HCL Infotech Limited %	-	-	21.83	699.55	-	-	-	-	21.83	699.55
Loans and Advances Given (Net)	-	-	**1.28**	**5.39**	-	-	-	-	**1.28**	**5.39**
- HCL Learning Limited	-	-	1.12	1.13	-	-	-	-	1.12	1.13
- Pimpri Chinchwad eServices Ltd.	-	-	-0.05	0.00	-	-	-	-	-0.05	0.00
- Digilife Distribution and Marketing Services Limited	-	-	0.21	4.26	-	-	-	-	0.21	4.26
Interest Charged on Loans & Advances Given	-	-	**0.18**	**0.04**	-	-	-	-	**0.18**	**0.04**
- Digilife Distribution and Marketing Services Limited	-	-	0.18	0.04	-	-	-	-	0.18	0.04
Interest Payable on Loans & Advance Taken	-	**2.07**	-	-	-	-	-	-	-	**2.07**
- HCL Corporation Pvt. Ltd.	-	2.07	-	-	-	-	-	-	-	2.07
Rent Received	-	-	-	-	**2.17**	**2.49**	-	-	**2.17**	**2.49**
- HCL Technologies Limited	-	-	-	-	2.17	1.65	-	-	2.17	1.65
- HCL Training & Staffing Services Pvt. Ltd.	-	-	-	-	-	0.83	-	-	-	0.83

A. Transactions (YTD)	Company having substantial interest*#		Subsidiaries		Others		Key Management Personnel		Total	
	Mar-22	Mar-21	**Mar-22**	Mar-21	**Mar-22**	Mar-21	**Mar-22**	Mar-21	**Mar-22**	Mar-21
Rent Expense	-	-	-	-	**0.18**	-	-	-	**0.18**	-
- SSN Investments (Pondi) Private Ltd.	-	-	-	-	0.18	-	-	-	0.18	-
Remuneration	-	-	-	-	-	-	**2.77**	**2.09**	**2.77**	**2.09**
- Mr. Alok Sahu	-	-	-	-	-	-	0.87	-	0.87	-
- Ms. Komal Bathla	-	-	-	-	-	-	0.14	-	0.14	-
- Mr. Sushil Jain	-	-	-	-	-	-	0.21	0.59	0.21	0.59
- Mr. Raj Sachdeva	-	-	-	-	-	-	0.65	-	0.65	-
- Mr. Kapil Kapur	-	-	-	-	-	-	0.90	1.50	0.90	1.50
Reimbursements towards expenditure	-	-	-	-	-	-	-	-	-	-
a) Received	-	-	**9.07**	12.65	-	-	-	-	**9.07**	12.65
- HCL Infotech Limited	-	-	9.07	12.63	-	-	-	-	9.07	12.63
- HCL Learning Limited	-	-	-	0.00	-	-	-	-	-	0.00
- Digilife Distribution and Marketing Services Ltd.	-	-	-	0.02	-	-	-	-	-	0.02
b) Paid	**0.06**	0.50	-	-	-	-	-	-	**0.06**	0.50
- HCL Corporation Pvt. Ltd.	**0.06**	0.50	-	-	-	-	-	-	0.06	0.50
B. Amount due to/from related parties	-	-	-	-	-	-	-	-	-	-
Investment in subsidaries (Gross)	-	-	**891.01**	891.01	-	-	-	-	**891.01**	891.01
Impairment allowance on investment in subsidiaries	-	-	**(890.97)**	(890.97)	-	-	-	-	**-890.97**	-890.97
Trade Receivables	-	-	**0.54**	5.31	**0.81**	1.45	-	-	**1.35**	6.76
Current borrowings	**355.00**	315.00	-	-	-	-	-	-	**355.00**	315.00
Loans and Advances (Gross)	-	-	**49.84**	72.86	-	-	-	-	**49.84**	72.86
Impairment allowance on loan and advances	-	-	**-48.29**	-70.05	-	-	-	-	**-48.29**	-70.05
Trade Payables	-	-	**21.60**	2.24	**0.24**	0.37	-	-	**21.84**	2.61
Investment in Optionally Convertible Debentures (OCD) $	-	-	**0.39**	18.92	-	-	-	-	**0.39**	18.92
Other Recoverable	**0.07**	0.07	**2.26**	3.61	-	-	-	-	**2.33**	3.68
Other Payables	-	-	-	-	-	-	-	-	-	-

Sales and related Income, sale of services, purchase of goods and purchase of services are net of transaction between HCL Infotech Limited and the Company on account of pending novation of contracts of system integration business. Further, with respect to certain contracts, the Company is currently pursuing arbitrations to claim amounts due to the Company for services provided. Any amount receivable under such contracts upon issuance of any awards by the arbitral tribunals will be transferred to HCL Infotech Limited, its wholly owned subsidiary since HCL Infotech Limited has been incurring all costs with respect to the said contracts on behalf of the Company and the Company has been remitting amounts received from the respective customers to HCL Infotech Limited.

*# Corporate guarantee utilised ₹ 124.71 crores (2021 - ₹ 100 crores), also refer note 57.

^Amount due to / from related parties are unsecured and are repayable/to be received in cash.

% Includes adjustment of ICD amounting to ₹ 400 crores against subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of ₹ 1000 each and interest waiver of ₹ 228.58 crores (Refer Note 50 & 52)

$ OCD is accounted at Fair value of underlying book receivables of ₹ 0.39 crores and said book receivables is recognized in the company financials in lieu of OCD amount, as per the requirements of pass through arrangement under IND AS 109 Financial Instruments. (Refer Note 53)

(₹ Crores)

Compensation of key management personnel of the Company*	Year ended 31.03.2022	Year ended 31.03.2021
Short-term employee benefits	**2.77**	2.09
Total compensation paid to key management personnel	**2.77**	2.09

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

*Post employment benefit comprising gratuity, and compensated absences are not disclosed as these are determined for the Company as a whole.

47 Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

Disclosure of amounts at the year end and the maximum amount of loans/advances/investments outstanding during the year ended;

(₹ Crores)

A.	Loans and advances in the nature of loans to subsidiaries and associates	As at 31.03.2022				As at 31.03.2021			
a.	Name	Pimpri Chinchwad eServices Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Pimpri Chinchwad eServices Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
b.	Balance outstanding at the year end	**-**	**4.47**	**0.00**	**49.95**	0.05	4.26	21.83	48.83
c.	Maximum amount outstanding	**0.05**	**4.47**	**35.73**	**49.95**	0.05	4.26	740.86	48.83

(₹ Crores)

B.	Loans and advances in the nature of loans where no interest or interest below Section 186 of Companies Act, 2013 is charged	As at 31.03.2022			As at 31.03.2021		
a.	Name	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
b.	Balance outstanding at the year end	Nil	Nil	Nil	Nil	Nil	Nil
c.	Maximum amount outstanding during the year ended	Nil	Nil	Nil	Nil	Nil	Nil

Loans given to employees under various schemes of the Company have been considered to be out of purview of disclosure requirement.

		As at 31.03.2022	As at 31.03.2021
C.	**Loans and advances in the nature of loans to firms/companies in which directors are interested**	**Nil**	Nil

D.	Investment by the loanees in the shares of the Company	As at 31.03.2022	As at 31.03.2021
	a. Name of the Loanee	**Nil**	Nil
	b. Balance outstanding at the year end	**Nil**	Nil
	c. Maximum amount outstanding during the year ended	**Nil**	Nil
	d. Investments made by the Loanee	**Nil**	Nil
	e. Maximum amount of investment during the year ended	**Nil**	Nil

48 Taxation:

(a) Provision for taxation has been computed by applying the Income Tax Act, 1961 and other relevant tax regulations in the jurisdiction where the Company conducts the business to the profit for the year. 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 tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

(b) Deferred Tax*:

Unrecognized deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the company can use the benefits therefrom:

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Deductible temporary differences	**33.21**	1.87
Unused tax losses	**447.95**	445.56
Total temporary differences and unused tax losses	**481.16**	447.42
Potential tax benefit @ 22.88% (FY'2021 - 31.20%)	**110.09**	139.60
Unutilized tax credit	**-**	37.26
Total Potential tax benefit @ 22.88% (FY'2021 - 31.20%)	**110.09**	176.86

(c) Income tax expense:

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

(₹ Crores)

	Year ended 31.03.2022	Year ended 31.03.2021
Income tax expense - current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease in MAT credit	-	-
Decrease / (increase) in deferred tax assets		
Total deferred tax expense/(benefit)	-	-
Income tax expense	**-**	-

The option u/s 115BAA is exercised for the current financial year, i.e. 2021-22. Since the MAT provisions are not applicable from the year in which such option is exercised, no provision has been made during the current financial year, i.e. w.e.f. 01.04.2021, for the liability under MAT.

(₹ Crores)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	Year ended 31.03.2022	Year ended 31.03.2021
Profit/(Loss) before income tax expense	**24.68**	(204.76)
Tax at the Indian tax rate of 22.88% (2021 – 31.20%)	**5.65**	(63.88)
Disallowances for which deferred tax not created		
Impairment (reversal) of investment and inter corporate deposits	**(4.96)**	26.39
Provision for loss in subsidiary	**11.57**	-
Profit on sale of capital assets adjusted against capital tax loss	**(23.99)**	-
Temporary differences on which no DTA recognised	**3.83**	-
Tax losses adjusted against capital gain tax	**7.65**	-
Tax losses for which no deferred tax was recognised	0.25	37.50
Income tax expense	**-**	**-**

The unused tax losses and depreciation that are not likely to be utilised due to lack of reasonable certainty of future taxable income. The losses can be carried forward as per details below:

(₹ Crores)

Expiry Date	As at 31.03.2022	As at 31.03.2021
31.03.2025	**44.30**	50.08
31.03.2026	**72.05**	78.04
31.03.2027	**50.79**	57.04
31.03.2028	**131.69**	122.87
31.03.2029	**121.56**	111.09
No limit	**27.56**	26.44
Total	**447.95**	445.56

Note: Excluding unused capital loss.

49 The Board of Directors of HCL Infosystems Limited in its meeting held on February 10, 2021 had approved to sell the entire shareholding held by HCL Infosystems Limited in HCL Infotech Limited at "Net Asset Value" as on closing date, after acquiring the undertaking which shall comprise of the business relating to two specific projects through a business transfer agreement, certain other assets and liabilities through assignment deed and HCL Investments Pte., Singapore & it's step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out as on September 30, 2020 is ₹ 147 Crs. The sale will be made to Novezo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the key customer of the company's defense project, which is forming part of the transaction has asked the company to novate the project to either HCL Infosystems Limited or a third party service provider acceptable to the customer, instead of transferring the said project as part of HCL Infotech Limited sale. The company is currently in discussion with the customer and some of the prospective third party service providers. This exercise has resulted in a significant delay in closing the transaction sale of HCL Infotech to Novezo. Currently In addition, some of the terms of the Share Purchase Agreement are being renegotiated with Novezo and there are several unresolved issues. The revised SPA which, if resolved, will require be subject to approval of the Board and the Shareholders of the Company.

50 The Board of Directors of the Company in their meeting held on March 23, 2021, has approved to issue letter for waiver of interest on Unsecured Loan, of ₹ 228.58 Crores to the HCL Infotech Limited, a wholly owned subsidiary. Due to unprecedented business conditions in the market, HCL Infotech Limited, has been suffering losses since inception, therefore the Company has stopped recognizing interest income on said unsecured Loan since October 2015. Accordingly, the accounting effect of the above transaction has not been considered in the financial statements for the year ended March 31, 2021.

51 In order to reduce Company's debt obligations, the Company decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to scale down in operations of the Company. Pursuant to the Board approvals, the company initiated the process to sell immovable properties of the company. Accordingly, the company has sold certain properties having net carrying amount of ₹ 35.23 crores, for a total consideration of ₹ 140.07 crores, resulting overall gain of ₹ 104.84 crores (year ended March 31, 2021: Nil). In addition, the company is in the process to sell five properties having gross carrying amount of ₹ 15.10 crores, accumulated depreciation of ₹ 4.87 crores and net carrying amount of ₹ 6.90 crores which has been classified as held for sale as on March 31,2022. Realisable value of these properties expected to be higher than net carrying value except for one property in respect of which provision for impairment of ₹ 3.33 crores has been recognised.Overall gain and provision for impairment has been shown as an exceptional item.

52 The Board of Directors of the Company in its meeting held on March 23, 2021, had consented to adjust the unsecured loan advanced to HCL Infotech Limited, a wholly-owned subsidiary, amounting to ₹ 400 crores, against the subscription money payable by the Company to HCL Infotech Limited, for subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of ₹ 1,000 each (Indian Rupees One thousand only) issued, on private placement basis to the Company, pursuant to terms of OCD Subscription Agreement dated March 31, 2021 between the Company and HCL Infotech Limited. As legally advised, the issuance of 0.1% OCDs does not meet the definition of loan as envisaged under section 186 of the Companies Act, 2013 and accordingly the Company is of the view that the above transaction is outside the purview of the aforesaid section. Further the company has recognised a loss on of ₹ 6.31 Crores, upon conversion of net balance of unsecured loan into OCD in the previous financial year ended March 31, 2021. (Refer note 36).

53 The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 52, issued to the Company shall be redeemed only from and to the extent of the proceeds from certain specified book receivables and favorable awards received by the HCL Infotech Limited in accordance with the terms set out in the OCD Subscription Agreement. Accordingly, HCL Infotech Limited transferred its rights to receive cash flows from those specified book receivables and favourble awards to the Company and the aforesaid transaction meets the pass-through arrangement criteria, as per the requirements of Ind AS 109 Financial Instruments. Therefore, the outstanding balance of specified books receivables of ₹ 18.92 Crores (including amount of ₹ 8.67 Crores of the contract assets) derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs as at March 31, 2021.

Further, due to change in expected realisation value of above referred specified books receivable, the company has recognised loss of ₹ 15.56 crores as change in fair value of OCD through Profit & Loss account in current year.

54 Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion, the Company has credited its Statement of Profit and Loss with ₹ 11.02 crores, for the year ended March 31, 2022 (2021: ₹ 14.88 crores), on account of write back of certain old payables and provisions.

55 The Company initiated a scheme of amalgamation of Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning), wholly owned subsidiaries, with and into HCL Infosystems Limited (HCLI). The rationale for this is to consolidate businesses into a single entity, simplify the corporate structure and reducing administrative costs. The petition for sanctioning of the scheme was filed before the Hon'ble NCLT, New Delhi bench on 13th December 2021.

Pursuant to order of the Hon'ble NCLT, New Delhi dated January 18, 2022, notices were duly issued to statutory authorities inviting their objections to the scheme and reports have been obtained from the Official Liquidator and the Regional Director. Adequate responses to their observations have also been filed before the Hon'ble NCLT along with necessary compliances. The scheme is now pending before the Hon'ble NCLT until next hearing. The Company has also proposed to change the Appointed Date of the Scheme from April 01, 2020 to April 01, 2022 which would require an approval from the NCLT.

56 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

S.No	Ratio	Numerator	Denominator	31.03.2022	31.03.2021	%variance	Reason for variance
a.	Current Ratio	Current Assets	Current Liabilities	0.27	0.17	58.17%	Current ratio has increased from 0.17 times in FY21 to 0.27 times in FY22 primarily due to investment in mutual funds in FY 22 and repayment of loans
b.	Debt-Equity Ratio	Total Debt	Shareholder's Equity	(2.48)	(2.52)	-1.56%	N.A
c.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Servic	N.A	N.A	N.A	No cash Profit

*Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

*Debt Service = Interest & Lease Payments + Principal Repayments

S.No	Ratio	Numerator	Denominator	31.03.2022	31.03.2021	%variance	Reason for variance
d.	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-11%	144%	-154.47%	As shareholder's equity is negative, return on equity ratio has improved in FY 22 due to gain on sale of property, lower ICD provision, lower finance cost and lower overheads due to scaling down of business operation
e.	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	34.56	17.55	96.91%	Inventory turnover ratio has increased from 17.55 times in FY21 to 34.56 times in FY22 due to Nil inventory in FY 22
f.	Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	1.17	2.46	-52.57%	Trade receivable turnover ratio has decreased from 2.46 times in FY21 to 1.17 times in FY22 due to substantial decrease in revenue owing to scaling down of business operation
g.	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.19	1.06	-82.55%	Trade payables turnover ratio has decreased from 1.06 times in FY21 to 0.19 times in FY22 due to substantial decrease in cost of goods sold owing to scaling down of business operation

S.No	Ratio	Numerator	Denominator	31.03.2022	31.03.2021	%variance	Reason for variance
h.	Net capital turnover ratio	Net Sales	Working Capital	(0.02)	(0.47)	-94.97%	Net working capital turnover ratio has decreased from (0.47) times in FY21 to (0.02) times in FY22 due to substantial decrease in revenue owing to scaling down of business operation
*Working Capital = Current Assets - Current Liabillities							
i.	Net profit ratio	Net Profit	Net Sales	269%	-94%	362.80%	Net profit ratio has improved from -94% in FY 21 to 269% in FY 22 due to gain on sale of property, lower ICD provision, lower finance cost and lower overheads due to scaling down of business operation in FY 22
j.	Return on Capital employed	Earning before interest and taxes	Capital Employed	13%	-70%	82.77%	Return on Capital employed has improved from -70% in FY 21 to 13% in FY 22 due to gain on sale of property, lower ICD provision and lower overheads due to scaling down of business operation in FY 22
*Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability							
k.	Return on investment	Income on investments	Cost of Investments	0.14	0.11	2.73%	N.A

*Income on investments = Interest on Fixed deposits (BG) + Gain/(Loss) of fair valuation of investments+Interest on ICD

**Cost of Investments = BG as Fixed deposits + Cost of Mutual funds+ICD

57. As at March 31, 2022, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net profit of ₹ 24.68 Crores, during the current year (March 31, 2021: ₹ 204.76 Crores) and the Company's current liabilities exceeded its current assets by ₹ 388.01 Crores (March 31, 2021: ₹ 461.32 Crores) as at March 31, 2022. The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and thier costs which are at different stages of progression. The management of the Company, is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 58), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support (in the form of corporate guarantees and unsecured loans) to the Company upto ₹ 1,500 Crores. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the Company's management and the Board of Directors have a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, these financial statements have been prepared on a going concern basis.

58. In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Company, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the year.

59. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

60. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these Financial Statements In evaluating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

Girish Arora
Partner
Membership Number - 098652

New Delhi, May 28, 2022

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

Noida, May 28, 2022

Independent Auditor's Report

To the Members of HCL Infosystems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Material uncertainty related to Going Concern

We draw attention to note 46 of the consolidated financial statements, which states that the Group Company has accumulated losses as at 31 March 2022 and its net worth is fully eroded as at that date. Further, the Group's current liabilities exceed its current assets as at 31 March 2022. These conditions, along with other matters set forth in note 47, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern i.e., whether the Group will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 46 including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Group will be able to operate as a going concern in the near future. Accordingly, management has prepared the consolidated financial statements on a going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw attention to note 52 to the consolidated financial statement for the year ended 31 March 2022, which states that the Hon'ble Arbitral Tribunal has, on 19 June 2020, passed a liability award in the arbitration proceedings filed by HCL Infosystems Limited in respect of the Managed Service Provider ("MSP") contract against one of the major customers. As stated in the said note, the said liability award provides, inter alia, that HCL Infosystems Limited is entitled to receive the consideration for its services during the period covered by the consent terms, i.e., from May 2020 to August 2021, at the current market value which will be decided through arbitration in due course. Pending this determination through arbitration proceedings, no revenue has been recognized for the difference in the expected current market value and the existing contract price for the services provided to the customer from May 2020 to August 2021.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. In addition to matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to the key audit matter to be communicated in our report.

Description of Key Audit Matter

<table>
<tr><td colspan="2">Revenue recognition on fixed price contracts
See note 2.5(h) to the consolidated financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group’s revenue arrangements include contracts which require management to make significant estimates relating to the efforts and costs associated with completing the contract.

Given the nature of such contracts, changes in these judgement/estimates could have a significant impact on estimation of revenue and liability for onerous obligations, if any.

The estimate has an inherent uncertainty as it requires ascertaining progress of contracts, efforts incurred till date and remaining contracts obligations.</td><td>In view of the significance of the matter we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence on estimation of contracts costs and onerous obligations, if any:
– Evaluating design, implementation and operating effectiveness of internal controls relating to estimation of efforts required to complete remaining performance obligations and related revenue recognition of fixed price contracts.
– Involving our specialists to assess the design, implementation and operating effectiveness of key IT controls over the IT environment in which the business systems operate
– Testing that the efforts estimated for the remaining performance obligations is appropriately reviewed and approved by designated senior management. Performing detailed analysis of contract efforts for past periods, efforts expected in the future and the underlying budgets to understand the estimation process and variances, if any and discussed with the designated management personnel, to ascertain reasonableness of contract costs.
– Testing the project costs incurred on a statistical sample basis by verifying the underlying documents to ascertain that these costs have been recorded in the appropriate projects and period. Testing the details of activities / milestones completed with the underlying approvals from customers and designated management.</td></tr>
<tr><td colspan="2">Recoverability of trade receivables and contract assets See note 2.5 (e) to the consolidated financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Significant judgement is involved in determining the recoverable amount of trade receivables and contract assets as estimating the recoverable amount involves inherent uncertainty.</td><td>We have applied the following audit procedures in this area, amongst others to address this key audit matter:
– Evaluating the design, implementation and operating effectiveness of internal controls of the Group pertaining to credit control, debt collection and provision for doubtful debts.
– Testing the estimates used for provision of doubtful debts, based on the industry in which such customers operate and customer’s financial condition. Also evaluating the collection trends of receivables based on our knowledge ofthe Company and the sectors of underlying customers, ageing of overdue balances and subsequent cash collections.
– Testing on a random sample basis, the items as per the receivables ageing report with the underlying documents such as sales invoices.
– Testing the management’s assessment of recoverability of the receivables from customers by evaluating documents and communications relating to projects with the respective customers.</td></tr>
</table>

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs will always detect a material misstatement when it exists. 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 919 lakhs as at 31 March 2022, total revenues of nil and net cash flows amounting to ₹ 6 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 . (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company and

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, Refer Note 31 to the consolidated financial statements.

b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts. Refer Note 21 to the consolidated financial statements in respect of such items as it relates to the Group. The Group does not have any derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

(e) The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies, is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Girish Arora
Partner
Membership No. 098652
UDIN: 22098652AJUGYP6600

Place: New Delhi
Date: 28 May 2022

Annexure A To Independent Auditor's Report

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements of HCL Infosystems Limited for the year ended 31 March 2022

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have below observations by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report
1	HCL Infosystems Limited	L72200DL1986PLC023955	Holding Company	3(i)(c), 3(iii)(c),3(iii)(d), 3(iii)(f), 3(xix).
2	HCL Infotech Limited	U72200DL2012PLC242944	Wholly owned subsidiary	3(xi)(a), 3(xix).
3	Digilife Distribution and Marketing Services Limited	U72900DL2008PLC175605	Wholly owned subsidiary	3(ix)(a), 3(xix).
4	HCL Learning Limited	U80900DL2012PLC242907	Wholly owned subsidiary	3(ix)(a), 3(xix).

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Girish Arora
Partner
Membership No. 098652
UDIN: 22098652AJUGYP6600

Place: New Delhi
Date: 28 May 2022

Annexure B To Independent Auditor’s Report

Annexure B to the Independent Auditors’ report on the consolidated financial statements of HCL Infosystems Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as “the Holding Company”) and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company’s internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

Girish Arora
Partner
Membership No. 098652
UDIN: 22098652AJUGYP6600

Place: New Delhi
Date: 28 May 2022

Consolidated Balance Sheet as at March 31, 2022

		Notes	As at 31.03.2022 ₹/Crores		As at 31.03.2021 ₹/Crores	
I.	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	**3(a)**	**4.16**		35.18	
	Right of use Assets	**3(b)**	**-**		0.28	
	Other intangible assets	**3(c)**	**0.04**		0.08	
	Capital work-in-progress	**3(d)**	**0.09**		0.16	
	Other financial assets	**4**	**24.42**		39.70	
	Deferred tax assets (net)	**5**	**-**		-	
	Advance income tax asset (net)	**6**	**42.49**		86.41	
	Other non-current assets	**7**	**140.77**	**211.97**	175.80	337.61
(2)	**Current assets**					
	Inventories	**8**	**0.51**		2.84	
	Financial assets					
	(i) Investments	**4**	**97.00**		-	
	(ii) Trade receivables	**9**	**27.65**		86.86	
	(iii) Cash and cash equivalents	**10**	**21.88**		38.82	
	(iv) Bank balances other than (iii) above	**11**	**44.64**		5.67	
	(v) Other financial assets	**12**	**5.21**		10.84	
	Other current assets	**13**	**75.49**		151.53	
	Assets held for sale	**44**	**6.90**	**279.28**	15.05	311.61
	Total Assets			**491.25**		649.22
II.	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity attributable to the owners of HCL Infosystems Limited					
	Equity share capital	**14 (a)**	**65.84**		65.84	
	Other equity	**14 (b)**	**(280.95)**	**(215.11)**	(305.91)	(240.07)
(2)	**Liabilities**					
	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	**15(i)**	**13.83**		59.03	
	(ii) Lease liabilities	**15(ii)**	**-**		0.28	
	Provisions	**16**	**1.55**		2.12	
	Deferred tax liabilities (net)	**37**	**-**	**15.38**	-	61.43
	Current liabilities					
	Financial liabilities					
	(i) Borrowings	**17**	**400.21**		478.23	
	(ii) Trade payables	**18**	**74.56**		133.12	
	(iii) Other financial liabilities	**19**	**11.49**		18.34	
	Other current liabilities	**20**	**153.48**		142.77	
	Provisions	**21**	**48.04**		53.43	
	Current tax liabilities (net)	**22**	**3.20**	**690.98**	1.98	827.87
	Total Equity and Liabilities			**491.25**		649.22
	Significant Accounting Policies	**2**				

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Notes	Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
Continuing Operations					
Income :					
Revenue from operations	**23**		**69.44**		352.75
Other income	**24**		**41.54**		113.27
Total Income			**110.98**		466.02
Expenses :					
Cost of materials consumed			**0.02**		-
Purchases of stock-in-trade			**8.17**		181.24
Changes in inventories of stock-in -trade	**25**		**2.32**		25.07
Other direct expense	**26**		**35.17**		118.14
Employee benefits expense	**27**		**26.67**		80.49
Finance costs	**28**		**13.70**		52.35
Depreciation and amortization expense	**3**		**1.47**		4.27
Other expenses	**29**		**99.23**		199.21
Total expenses			**186.75**		660.77
Loss before exceptional items and tax from continuing operations			**(75.77)**		(194.75)
Exceptional items	**30**		**101.51**		-
Profit/(Loss) from continuing operations before tax			**25.74**		(194.75)
Income tax expense:					
- Current tax	**37**	**1.22**		1.98	
- Deferred tax	**37**	**-**	**1.22**	-	1.98
Profit/(Loss) for the year from continuing operations			**24.52**		(196.73)
Other Comprehensive Income					
(i) Items that will not be subsequently reclassified to profit or loss					
- Gain/(loss) on remeasurement of defined benefit plan	**40**	**(0.41)**		(0.21)	
- Income tax relating to above item		**-**	**(0.41)**	-	(0.21)
(ii) Items that will be subsequently reclassified to profit or loss					
- Exchange differences on translation of foreign operation			**0.86**		(0.99)
Other comprehensive Income for the year, net of tax			**0.45**		(1.20)
Total comprehensive Profit/(Loss) for the year			**24.97**		(197.93)
Profit/(Loss) is attributable to:					
- Shareholders of HCL Infosystems Limited			**24.52**		(196.73)

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Notes	Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
Other comprehensive Income/(Loss) is attributable to:					
- Shareholders of HCL Infosystems Limited			**0.45**		(1.20)
Total comprehensive Income/(Loss) is attributable to:					
- Shareholders of HCL Infosystems Limited			**24.97**		(197.93)
Earnings per equity share continuing operations (Rs. Per share)	**39**				
(1) Basic			**0.74**		(5.98)
(2) Diluted			**0.74**		(5.98)
Significant accounting policies	**2**				

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

Particulars	Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
1. Cash Flow from Operating Activities:				
Profit/(Loss) before tax from continuing and discontinued operations		**25.74**		(194.75)
Adjustments for:				
Depreciation and amortisation expense	**1.47**		4.27	
Finance cost	**13.70**		52.35	
Interest income on trade receivable	**-**		(34.50)	
Interest income on FD	**(1.91)**		-	
Interest on income tax refund	**(12.76)**		-	
Net gains on fair value changes on investments	**(1.00)**		-	
Net profit on sale of property, plant and equipment	**(105.02)**		(0.27)	
Impairment of property	**3.33**		-	
Property, plant and equipment written-off	**0.06**		0.40	
Profit on disposal of unquoted investments	**(0.37)**		-	
Gain on foreign exchange fluctuation	**(0.76)**		0.17	
Provision for change in fair value of OCD	**15.56**		-	
Provision for doubtful debts	**5.85**		88.95	
Provision for doubtful loans and advances and other current assets	**9.66**		0.98	
Provisions/liabilities no longer required written back	**(19.06)**		(73.14)	
Provisions for Input tax credit	**8.98**	**(82.28)**	**22.57**	61.77
Operating Loss before changes in operating assets and liabilities		**(56.54)**		(132.98)
Changes in operating assets and liabilities:				
- Decrease in trade receivables	**53.34**		97.51	
- Decrease in non-current assets	**36.57**		31.69	
- Decrease in current assets	**48.33**		85.19	
- Decrease in inventories	**2.33**		25.07	
- (Decrease) in non-current liabilities	**(0.57)**		(2.34)	
- (Decrease) in current liabilities	**(39.44)**	**100.56**	(156.95)	80.17
Cash generated from operations		**44.02**		(52.80)
- Taxes (paid)/received (net of tax deducted at source)		**56.68**		38.05
Net cash generated/(used) from operating activities **(A)**		**100.70**		(14.75)
2. Cash flow from investing activities:				
Payment for property, plant and equipment (including intangible assets)	**(0.20)**		(0.42)	
Proceeds from sale of properties	**139.92**		3.25	
Receipt of business consideration on sale of investment in subsidiaries	**15.80**		(0.05)	
Purchase of current investments	**(95.63)**		-	
Redemption/(Investments) in bank deposits	**(40.92)**		16.03	
Movement in margin money account	**(0.10)**		(0.95)	
Interest received	**1.91**		2.57	
		20.78		20.44
Net cash generated/(used) from investing activities **(B)**		**20.78**		20.44

Consolidated Cash Flow Statement for the year ended March 31, 2022

Particulars	Year Ended 31.03.2022 ₹/Crores		Year ended 31.03.2021 ₹/Crores	
3. Cash flow from financing activities:				
Lease obligation paid	**(0.28)**		(1.33)	
Proceeds from loans and borrowings	**0.00**		1,781.79	
Repayment of loans and borrowings	**(123.22)**		(1,749.48)	
Interest paid	**(15.13)**		(52.68)	
Unclaimed dividend transferred to investor protection fund	**-**	**(138.62)**	(0.47)	(22.17)
Net cash outflow from financing activities (C)		**(138.62)**		(22.17)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(17.15)**		(16.49)
Opening balance of cash and cash equivalents		**38.82**		55.26
Effect of foreign exchange on cash and cash equivalents		**0.20**		0.05
Effect of exchange differnces on translation of foreign operations		**0.01**		(0.00)
Closing balance of cash and cash equivalents		**21.88**		38.82
Cash and cash equivalents comprise of				
Cash, cheques and drafts (on hand)		**0.05**		0.05
Balances with banks on current accounts		**21.73**		38.68
Balances with banks on deposits accounts		**0.09**		0.09

Notes:

1. During the current and previous year, there were no non cash changes in financial liabilities arising from financing activities. Accordingly, reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities including both changes arising from cash flows and non-cash changes as required based on paragraph 44 of Ind AS 7 on 'Statement of Cash Flows' has not been given.
2. The above cash flow from operating activities has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of cash flows.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

Girish Arora
Partner
Membership Number - 098652

New Delhi, May 28, 2022

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

Noida, May 28, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

a. Equity Share Capital ₹/Crores

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
65.84	-	-	-	**65.84**

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
65.84	-	-	-	**65.84**

b. Other Equity ₹/Crores

Particulars	Attributable to Shareholders of HCL Infosystems Limited						Total
	Reserve and surplus						
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Total Equity	
Balance as at 01.04.2020	**1,194.37**	**215.76**	**0.04**	**(1,529.81)**	**11.66**	**(107.99)**	**(107.99)**
Total Loss for the year	-	-	-	(196.73)	-	(196.73)	**(196.73)**
Other comprehensive income for the year	-	-	-	(0.21)	(0.99)	(1.20)	**(1.20)**
Balance as at 31.03.2021	**1,194.37**	**215.76**	**0.04**	**(1,726.75)**	**10.67**	**(305.91)**	**(305.91)**
Balance as at 01.04.2021	1,194.37	215.76	0.04	(1,726.75)	10.67	(305.91)	**(305.91)**
Total Profit for the year	-	-	-	24.52	-	24.52	**24.52**
Other comprehensive income for the year	-	-	-	(0.41)	0.86	0.45	**0.45**
Balance as at 31.03.2022	**1,194.37**	**215.76**	**0.04**	**(1,702.64)**	**11.53**	**(280.93)**	**(280.93)**

Securities Premium :

The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.

General Reserve :

The general reserve has been accumulated by way of transfer/ allocation of profits over the years in compliance with applicable regulations.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
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DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Notes to the Consolidated Financial Statements

1. Corporate information

These consolidated financial statements comprise financial statements of HCL Infosystems Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31.03.2022. The Company is domiciled and incorporated in India and publicly traded on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE') in India. The registered office of the Company is situated at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

The Group's business is primarily diversified into four segments viz. Distribution, Hardware Products and Solutions, Services and Learning, engaged into selling of computer hardware and mobile handsets to enterprise and consumers, system integration business, rendering wide portfolio of services including IT Infrastructure Services, Infrastructure Managed Services, Enterprise Application Services, Office Automation Services, Managed Print Services, Life Cycle Services and After-Sales Support Services and selling digitised educational content & learning solutions.

The consolidated financial statements have been approved by the Board of Directors and authorised for issue on 28.05.2022.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(i) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The statement of cash flows have been prepared under indirect method.

These consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Group.

(ii) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the certain financials assets and liabilities which have been measured at fair value as explained in the accounting policies below.

2.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation

2.3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

2.4 Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, disclosure of contingent liabilities and contingent assets at the date of these consolidated financial statements and the results of operations during the reporting period. The actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.5 Critical accounting estimates, assumptions and judgements

In the process of applying the Group's accounting policies, the management has made following estimates,assumptions and judgements, which have significant effect on the amounts recognised in these consolidated financial statement:

a) Property, plant and equipment

The management engages external adviser or internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. The management believes that the assigned useful lives and residual value are reasonable.

b) Intangibles

Internal technical or user team assess the remaining useful lives of Intangible assets. The management believes that assigned useful lives are reasonable.

c) Income taxes

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews, at each balance sheet date, the carrying amount of deferred tax assets and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Group has significant business losses which are available to be set-off against the future taxable income, at each reporting date, the management evaluates whether it is reasonably certain to recognise deferred tax assets on such business losses, considering the future outlook of business. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

d) Contingencies

Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

e) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

f) Liquidated damages

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actual as levied by customer.

g) Impairment assessment

Goodwill is tested for impairment at least annually and whenever events or changes in circumstances indicate that the recoverable amount of Cash Generating Unit ('CGU') or group of CGUs, to which goodwill is allocated, is less than the carrying value. Impairment test for goodwill is performed at the level of each CGU or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. The management applies its judgement to identify the CGUs, which are expected to derive synergies together, and allocates goodwill to such group of CGUs.

Other intangibles and property, plant and equipment (PPE) are tested for impairment, whenever events or changes in circumstances indicate that the recoverable amount of Cash Generating Unit ('CGU'), to which such intangibles or PPE are allocated, is less than the carrying value.

The recoverable amount of a CGU is the greater of its fair value less costs to sell and value in use. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and gross profit, growth rates and EBIT margin to calculate projected future cash flows, discount rate and long term growth rate.

h) Revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. In case of multiple performance obligations the Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

2.6 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities, except for system integration business. The system integration business which comprises of long-term contracts and have an operating cycle exceeding one year. For classification of current assets and liabilities related to system integration business (forming part of Hardware Products and Solutions), the Group elected to use the duration of the individual contracts as its operating cycle.

2.7 Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, if any, in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control.

This is generally the case where the Group holds between 20% and 5o% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

iii. Joint arrangements

Under Ind AS in joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

v. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

These consolidated financial statements comprise the financial statement of HCL Infosystems Limited (the Company) and its subsidiaries, as given in the following table:

Name of the Subsidiary/ JV	Country of Incorporation	Extent of Holding (%)	
		31.03.2022	31.03.2021
Digilife Distribution and Marketing Services Limited	India	100	100
Pimpri Chinchwad eServices Limited	India	85	85
HCL Infotech Limited	India	100	100
HCL Learning Limited	India	100	100
HCL Insys Pte Limited	Singapore	-	100
Step-down Subsidiary of HCL Infotech Limited			
HCL Investment Pte. Limited.	Singapore	100	100
Step-down Subsidiary of HCL Investment Pte Limited			
Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE)	Dubai	100	100

2.8 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All other repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013 except for following assets:-

(i) Hand Held Terminal 5 years

(ii) Depreciation on fixed assets of the foreign subsidiaries:

Building	20 Years
Computers	3-4 Years
Furniture and Fixtures	4-6 Years
Office Equipment	6 Years

Assets residual values, depreciation method and useful lives are reviewed at each financial year end considering the physical condition of the assets or whenever there are indicators for review and adjusted residual life prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold land is amortised over a period of lease. Leasehold improvements are amortised on straight line basis over the period of three years or lease period whichever is lower.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other income.

2.9 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at costless any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

Goodwill

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the statement of profit or loss on disposal.

Softwares

Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license.

Digitised educational content (Intellectual Property Rights)

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has ability and intention to complete the asset and use or sell it and cost can be measured reliably. The costs incurred, during the development stage but before completion, are deferred and classified as intangible assets under development. Upon completion, such costs are transferred to intangible assets and amortised over the estimated useful life of such asset.

Intangible assets (other than Goodwill) are amortised at straight line basis as follows:

Intellectual Property Rights	7 years
Software	1-5 years

2.10 Leases

As a lessee

As a lessee, the Group leases many assets including properties and office equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IND AS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Assets given under finance lease are recognised as receivables at an amount equal to the net investment in the lease. Inventories given on finance lease are recognised as deemed sale at fair value. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Sale and leaseback

Sale and lease back transaction is recognized as sale if transfer of asset satisfies the requirements of Ind AS 115 to be accounted. The Group shall measure the right-of-use asset arising from the sale and leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer.

2.11 Financial Instruments

A. Financial instruments – Initial recognition and measurement

Financial assets and financial liabilities are recognised in the Group's consolidated financial statement when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

B. Financial assets

1. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Debt instrument

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Group on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Group. Financial assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with changes in fair value recognised in other income in the statement of profit and loss.

b. Financial assets measured at amortised cost

Loans and receivables are non-derivative financial assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income.

c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

1. Subsequent measurement

The Group subsequently measures all equity investments at fair value. Dividends from such investments are recognised in statement of profit and loss as other income when the Group's right to receive payments is established.

2. *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

C. Financial liabilities

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate method. The effective interest rate method's amortisation is included in finance costs in the statement of profit and loss.

2. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

D. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

E. Derivative financial instruments - current versus non- current classification

Derivative instruments will be held for a period beyond twelve months after the reporting date, are classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item. These are classified as current, when the remaining holding period is upto twelve months after the reporting date.

F. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial

Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

G. Fair value measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.12 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- Temporary difference related to investment in subsidiaries and associates and joint arrangement to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of a history of recent losses, the Group recognised a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets-unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the assets is realised or the liability is settled based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or no different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.13 Inventories

Raw materials, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Stores and Spares are valued at lower of cost and net realisable value/future economic benefit expected to arise when consumed during rendering of services.

Cost of raw materials, stores and spares and stock-in-trade comprises cost of purchases. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Goods in-transit is valued inclusive of custom duty, where applicable.

2.14 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which is subject to an insignificant risk of changes in value.

2.16 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test for goodwill is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, less the costs of disposal. Impairment losses, if any are recognised in statement of profit and loss as a component of depreciation and amortisation expense.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.17 Non-current Assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

If the criteria stated by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid in accordance with the terms with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.20 Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

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 Group 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 or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the consolidated financial statements.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are disclosed where an inflow of economic benefits is probable.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Board of Directors of the Company has authorised its Managing Director to assess the financial performance and position of the Group and makes decisions in normal course of business operations. For key strategic decisions, the Board of Directors take decisions after evaluating the possible options and recommendations given by the management. The Board of Directors together with Managing Director has been identified as being the chief operating decision maker. Refer note 39 for segment information presented.

2.22 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (₹ the functional currency'). The Group's operations are primarily in India, except operations in subsidiaries incorporated outside India. The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income items that will be subsequently reclassified to profit and loss account.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.23 Revenue recognition

The Group derives revenues primarily from sale of products and services and long term composite contracts requiring sale and integration of IT products. Revenue is measured at the fair value of the consideration received or receivable.

Sales of goods

Timing of recognition

The Group is engaged into the business of –

- Purchase/ sale and distribution of IT products, including computer hardware and mobile handsets.
- Developing the digitised educational content and selling such content licenses to digi school.

Revenue from the sale of products is recognised at the point in time when control is transferred to the customer

Measurement of revenue

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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Rendering of services

Timing of recognition

Service income includes income from IT infrastructure managed services, break-fix services, office automation maintenance services and managed print services. Revenues relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed price contracts is recognised on percentage of completion basis of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations. Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Measurement of revenue

Revenue is based on the price specified in the sales contract, net of the estimated volume discounts. For separately identified component from multiple element arrangement, pertaining to the sale of services, the revenues are measured based on fair value allocated to such component within the overall arrangement.

Revenue from long term composite contract

The Group enters into long term fixed price composite contracts with its customers, which requires design and integration of IT hardware and software to build an integrated solution. The contract involves seamless sale of products and services, with objective to build a solution which meets specifications mentioned in the contract. The execution of these contracts require long period of time, usually more than 12 months.

Timing of recognition

The accounting for these composite contracts, outcome of which can be reliably estimated, where no significant uncertainty exists regarding realisation of the consideration, the revenue is recognised in accordance with the percentage completion method, under which revenue is recognised on the basis of cost incurred as a proportion of total cost expected to be incurred. The costs incurred is considered as reasonable source to measure progress towards completion as there is direct relationship between the input and productivity. Provision for foreseeable losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenues, while billings in excess of costs and earnings are classified as deferred revenues.

Measurement of revenue

The revenues are measured based on overall price for the solution as mentioned in the contract, applying percentage of completion method. For delivery of integrated solution is identified as separate component from multiple element arrangement, the revenues are measured based on fair value allocated to the solution/ deliverable within the overall arrangement. Such allocated fair value is recognised as revenues using percentage of completion method over the period of contract.

Revenue from multiple-element arrangement

Timing of revenue recognition

The Group enters into contracts consisting of any combination of supply of IT solutions & hardware and installation and other services. Within these multiple element arrangements, separate components are identified and accounted for based on the nature of those components, considering the economic substance of the entire arrangement. The revenue allocated to each component is recognized when the revenue recognition criteria for that component have been met.

Measurement of revenue

Revenue is allocated to each separately identifiable component based on the fair value of each component. Where the relative fair value of all the components are not separately identifiable, fair value of one component is determined by taking into consideration factors such as the price of the component when sold separately and the component cost plus a reasonable margin. Fair values of the remaining components are determined based on the residual approach.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discount estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.24 Employee benefits

Defined benefit plans

Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

Provident fund

In respect of certain employees, Provident Fund contributions are made to a multi-employer Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

Defined contribution plans

Contributions to the employees' state insurance fund, administered by the prescribed government authorities, are made in accordance with the Employees' State Insurance Act, 1948 and are recognised as an expense on an accrual basis.

Company's contribution towards Superannuation Fund is accounted for on accrual basis.

The Company makes defined contributions to a Superannuation Trust established for the purpose. The Company has no further obligation beyond the monthly contributions.

Other benefits

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise.

Long term employee benefits

Employee benefits, which are expected to be availed or encased beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.25 Discontinued operations

A discontinued operation is a component of Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit loss is re-presented as if the operation had been discontinued from the start of the comparative period.

2.26 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.28 Exceptional items

Items which are material either because of their size or their nature, and which are non-recurring, are highlighted through separate disclosure. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance.

Notes to the Consolidated Financial Statements

3 (a) Property, Plant & Equipment

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2022	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2022	As at 31.03.2022
Leasehold Land	**7.99**	-	7.99	**0.01**	**0.53**	0.09	0.62	**0.00**	**0.00**
Leasehold improvements	**2.12**	-	2.12	**-**	**0.76**	-	0.76	**-**	**-**
Freehold Land	**2.43**	-	2.37	**0.06**	**-**	-	-	**-**	**0.06**
Buildings	**21.59**	-	18.33	**3.26**	**2.71**	0.56	3.22	**0.05**	**3.21**
Plant and Machinery	**1.70**	-	1.48	**0.22**	**1.70**	0.06	1.53	**0.22**	**0.00**
Furniture and Fixtures	**6.84**	-	6.32	**0.52**	**3.54**	0.29	3.36	**0.47**	**0.05**
Office Equipments	**1.09**	-	1.09	**-**	**0.24**	-	0.24	**-**	**-**
Vehicles	**0.76**	-	0.35	**0.41**	**0.41**	-	-	**0.41**	**-**
Computers	**5.29**	0.26	3.45	**2.11**	**4.73**	0.32	3.79	**1.27**	**0.84**
Total	**49.81**	**0.26**	**43.49**	**6.58**	**14.63**	**1.31**	**13.53**	**2.42**	**4.16**

* Refer note 44, for disclosure related to "Assets held for sale".

Property, Plant & Equipment

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 31.03.2021
Leasehold Land	12.30	-	4.31	**7.99**	0.76	0.16	0.38	**0.53**	**7.46**
Leasehold improvements	2.12	-	-	**2.12**	0.76	-	-	**0.76**	**1.36**
Freehold Land^	3.73	-	1.30	**2.43**	-	-	-	**-**	**2.43**
Buildings^	32.83	-	11.25	**21.59**	3.67	1.07	2.04	**2.71**	**18.88**
Plant and Machinery	3.24	0.15	1.69	**1.70**	2.51	0.32	1.13	**1.70**	**0.00**
Furniture and Fixtures	8.45	0.02	1.63	**6.84**	4.21	0.58	1.25	**3.54**	**3.29**
Office Equipments	2.06	0.01	0.98	**1.09**	0.97	0.17	0.89	**0.24**	**0.85**
Vehicles	0.78	-	0.02	**0.76**	0.41	-	-	**0.41**	**0.35**
Computers	5.91	0.07	0.69	**5.29**	4.51	0.90	0.68	**4.73**	**0.56**
Total	**71.42**	**0.25**	**21.86**	**49.81**	**17.80**	**3.20**	**6.36**	**14.63**	**35.18**

Notes:

^Land and Building at Ambattur amounting to ₹ 3.08 crores (2020 - ₹ 3.12 crores) are pending for registration in the name of the Company. The same has been classified as a held for sale as at March 31,2022.

* Refer note 44, for disclosure related to "Assets held for sale".

3 (b) Right of use Assets

₹/Crores

Particulars	Gross Carrying Amount				Accumulated amortisation/impairment				Net Carrying Amount
	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2022	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2022	As at 31.03.2022
Right of Use Assets	3.10	-	0.17	**2.93**	2.82	0.11	-	**2.93**	**-**
Total	**3.10**	**-**	**0.17**	**2.93**	**2.82**	**0.11**	**-**	**2.93**	**-**

₹/Crores

Particulars	Gross Carrying Amount				Accumulated amortisation/impairment				Net Carrying Amount
	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 31.03.2021
Right of Use Assets	3.38	-	0.28	**3.10**	2.02	0.80	-	**2.82**	**0.28**
Total	**3.38**	**-**	**0.28**	**3.10**	**2.02**	**0.80**	**-**	**2.82**	**0.28**

3 (c) Other Intangible Assets

₹/Crores

Particulars	Gross Carrying Amount				Accumulated amortisation/impairment				Net Carrying Amount
	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2022	As at 01.04.2021	Additions/ Adjustment	Disposal/ Adjustment*	As at 31.03.2022	As at 31.03.2022
Intangible Assets:									
Software	1.61	-	-	**1.61**	1.53	0.05	-	**1.57**	**0.04**
Intellectual Property Rights	0.23	-	-	**0.23**	0.24	-	-	**0.24**	**-**
Technical Knowhow	1.46	-	-	**1.46**	1.46	-	-	**1.46**	**-**
Total	**3.30**	**-**	**-**	**3.30**	**3.23**	**0.05**	**-**	**3.27**	**0.04**

Other Intangible Assets

₹/Crores

Particulars	Gross Carrying Amount				Accumulated amortisation/impairment				Net Carrying Amount
	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 01.04.2020	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2021	As at 31.03.2021
Intangible Assets:									
Software	1.61	-	-	**1.61**	1.25	0.28	-	**1.53**	**0.08**
Intellectual Property Rights	0.23	-	-	**0.23**	0.24	-	-	**0.24**	**-**
Technical Knowhow	1.46	-	-	**1.46**	1.46	-	-	**1.46**	**-**
Total	**3.30**	**-**	**-**	**3.30**	**2.95**	**0.28**	**-**	**3.23**	**0.08**

3 (d) Capital work-in-progress

₹/Crores

Particulars	As at 01.04.2021	Additions	Capitalisation/ Adjustment	As at 31.03.2022
Capital work-in-progress	0.16	0.09	0.16	0.09

Capital work-in-progress

₹/Crores

Particulars	As at 01.04.2020	Additions	Capitalisation/ Adjustment	As at 31.03.2021
Capital work-in-progress	0.00	0.27	0.11	0.16

CWIP Ageing Schedule as on year ended March 31, 2022 and March 31, 2021

₹/Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Project in progress	0.09 **(0.16)**	- **-**	**-** **-**	**-** **-**	0.09 (0.16)

Note: Previous year figures are given in brackets.

Title deeds of Immovable Property not held in name of the Company

₹/Crores

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land and Buildiings at Ambattur, Chennai (classified as held for sale)	D12 & D12-B SIDCO Ambattur Industrial Estate Chennai- 600058	5.58	HCL Peripherals Ltd	Refer note below	July 1, 1998	Refer note below

There is no immovable properties not held in the name of the company other than disclosed above, further the above mentioned property has classified as held for sale as on March 31, 2022 (refer note 44)

Ambattur, Chennai immovable property held in the name of HCL Peripherals Limited, which was a wholly owned subsidiary of HCL Corporation Limited (Parent Company) and got merged with parent company in the year 2010. The company acquired aforesaid immovable property from HCL Peripherals Limited in the year 1998 as part of Business Transfer Transaction. There is no dispute as to title of the property. As per the Business Transfer Agreement, in the event the company dispose off the property, HCL Peripherals and the company shall jointly execute and register sale deed in favour of the purchaser to convey a valid title to the purchaser.

Particulars	As at 31.03.2022		As at 31.03.2021	
	Units	Amount ₹/Crores	Units	Amount ₹/Crores
4 Current investments				
Unquoted (Others)				
Investment in mutual funds at FVTPL				
(i) Growth options				
Axis Liquid Fund	**76,749**	**18.04**	-	-
UTI Liquid Cash Plan	**51,937**	**18.01**	-	-
Aditya Birla Sun Life Savings Fund	**462,002**	**20.34**	-	-
HDFC Ultra Short Term Fund	**1,65,36,258**	**20.30**	-	-
ICICI Pru Ultra Short Term Fund - Growth	**90,59,195**	**20.31**	-	-
Total Current Investments		**97.00**		-
Aggregate amount of unquoted investment		**97.00**		-
4 Other Non-Current Financial Assets				
Balance with bank- margin money*		**17.72**		15.68
Security deposits		**0.21**		1.74
Business consideration receivable		**6.49**		22.28
*Balances held as margin money towards obtaining Bank Guarantees.				
TOTAL		**24.42**		39.70
5 Deferred tax asset (net) (refer note 37)				
Deferred tax asset		**-**		-
		-		-
6 Advance income tax asset (net of provisions)				
Advance income tax [Provision for income tax of ₹ 48.33 crores (2021- ₹ 48.33 crores)]		**42.49**		86.41
TOTAL		**42.49**		86.41
7 Other non-current assets				
Unsecured, considered good				
Capital advances		**0.02**		0.01
Others				
Balances with government authorities		**140.06**		175.16
Prepaid expenses		**0.01**		0.01
Others		**0.67**		0.62
TOTAL		**140.76**		175.80
8 Inventories				
Stock-in-trade [Including in-transit Nil (2021 - ₹ 0.04 crores)]		**0.51**		2.84
TOTAL		**0.51**		2.84
Write-downs of inventories to net realisable value recognised as an expense during the year amounts to ₹ 0.05 crores (2021- ₹ 0.21 crores). These were included in changes in value of inventories of work-in-progress, stock in trade and finished goods in statement of profit and loss. During the current year, project specific inventory has been ₹ 1.64 crores adjusted against provisions for onerous contracts.				

Particulars	As at 31.03.2022	Amount ₹/Crores	As at 31.03.2021	Amount ₹/Crores
9 Trade receivables (refer note 32)				
Unsecured:				
Significant increase in credit risk	**107.52**		100.41	
Considered good	**27.65**		86.86	
Credit impaired	**94.76**		95.69	
	229.93		282.96	
Less: Allowance for doubtful debts	**202.28**	**27.65**	196.10	86.86
TOTAL		**27.65**		86.86
*refer note no 34 (ia) disclosure related to ageing of trade receivables.				
10 Cash and cash equivalents				
Balances with banks*				
- current account		**21.73**		38.68
Cash on hand		**0.05**		0.05
Bank deposits with original maturity of three months or less	**0.41**		0.40	
Less: Money held in Trust	**0.31**	**0.10**	0.31	0.09
TOTAL		**21.88**		38.82
* includes ₹ 1.64 Cr restricted Bank Balance lying with UBGB Bank.				
11 Other bank balances				
Deposits with remaining maturity up to 12 months*		**41.99**		1.07
Balance with banks				
- On margin account^		**2.65**		4.60
TOTAL		**44.64**		5.67
* includes ₹ 1.16 crores (2021 - ₹ 1.07 crores) lien marked with Banks				
^ includes Nil (2021-₹ 1.47 crores) which is held in the name of Karvy Innotech Limited for and on behalf of the Company.				
12 Other financial assets				
Lease rental recoverable (refer note 38)	**2.73**		2.80	
Less: Allowance for doubtful lease rental recoverable	**2.73**	**-**	2.80	-
Security deposits		**0.19**		3.00
Unbilled revenue		**3.99**		5.07
Claims recoverable from vendor		**0.03**		2.31
Others (includes employee advances, insurance claim recoverable)		**1.00**		0.46
Considered doubtful				
Others (includes employee advances, insurance claim recoverable)	**16.45**		15.28	
Less: Allowance for doubtful loans and advances	**16.45**	-	15.28	-
Underlying Assets on account of Pass-Through Arrangement		**-**		-
TOTAL		**5.21**		10.84

Particulars	As at 31.03.2022		As at 31.03.2021	
		Amount ₹/Crores		Amount ₹/Crores
13 Other current assets				
Unsecured, considered good				
Balances with customs, port trust, excise, sales tax and goods and service tax authorities		**12.44**		19.43
Advances to creditors		**2.50**		2.00
Contract assets (refer note 41)		**33.66**		73.48
Prepaid expenses		**9.31**		23.61
Others recoverable (including advance tax ₹ 14.59 crores (2021 - ₹ 24.11 crores)		**17.57**		33.01
Considered doubtful				
Other current assets	**187.75**		185.42	
Less: Allowance for doubtful other current assets				
(includes ₹ 182.44 crores on contract assets (2021 - ₹ 182.44 crores)	**187.75**	-	185.42	-
TOTAL		**75.49**		151.53
14 Equity share capital and other equity				
(a) Authorised				
55,25,00,000 Equity Shares (2021 - 55,25,00,000) of ₹ 2/- each		**110.50**		110.50
5,00,000 Preference Shares (2021 - 5,00,000) of ₹ 100/- each		**5.00**		5.00
TOTAL		**115.50**		115.50
Equity Share capital				
Issued, Subscribed and Paid up				
32,92,09,928 Equity Shares, fully paid (2021 - 32,92,09,928) of ₹ 2/- each		**65.84**		65.84
TOTAL		**65.84**		65.84

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(ii)

Shareholders holding more than 5% of the aggregate shares in the Company	As at 31.03.2022		As at 31.03.2021	
	Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Corporation Private Limited	16,44,21,399	49.94	16,44,21,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	4,26,03,194	12.94	4,26,03,194	12.94

(iii)

Promoters shareholding in the Company	As at 31.03.2022 Number of Shares	% of shares	% change during the year	As at 31.03.2021 Number of Shares	% of shares
(a) HCL Corporation Private Limited	**16,44,21,399**	49.94	-	16,44,21,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	**4,26,03,194**	12.94	-	4,26,03,194	12.94
(c) Mr. Shiv Nadar	**3,055**	0.00	-	3,055	0.00
(d) Mrs. Roshni Nadar Malhotra	**2,893**	0.00	-	2,893	0.00
(e) Mrs. Kiran Nadar	**620**	0.00	-	620	0.00

(b) Other equity

Particulars	As at 31.03.2022 ₹/Crores	As at 31.03.2021 ₹/Crores
Reserve and surplus		
Securities premium reserve		
Opening balance	**1,194.37**	1,194.37
Closing balance	**1,194.37**	1,194.37
General reserve		
Opening balance	**215.76**	215.76
Closing balance	**215.76**	215.76
Capital reserve		
Opening balance	**0.04**	0.04
Closing balance	**0.04**	0.04
Retained earning		
Opening balance	**(1,726.75)**	(1,529.81)
Remeasurement of post-employment benefit obligation, net of tax	**(0.41)**	(0.21)
Net Profit/ (loss) for the year	**24.52**	(196.73)
Closing balance	**(1,702.64)**	(1,726.75)
Foreign currency translation of foreign operations		
Opening balance	**10.67**	11.66
Exchange difference on translation of foreign operations	**0.86**	(0.99)
Reclassification on disposal of foreign operations	**-**	-
Closing balance	**11.53**	10.67
Total Other Equity attributable to the shareholders of HCL Infosystems Limited	**(280.95)**	(305.91)

Particulars		As at 31.03.2022 ₹/Crores	As at 31.03.2021 ₹/Crores
	Financial Liabilities		
15(i)	**Non-current borrowings (Refer note 43 for status of charges)**		
	Unsecured:		
	Term loans		
	- From others	**13.83**	59.03
	TOTAL	**13.83**	59.03
15(ii)	**Lease liabilities (refer note 38)**		
	Lease liabilities	**-**	0.28
	TOTAL	**-**	0.28
	Notes: Unsecured Term loans from Others amounting to ₹ 59.03 Crores (2021 - ₹ 122.35 Crores), out of which ₹ 45.20 Crores (2021 - ₹ 63.32 Crores) is shown under current borrowings (refer note 17), is repayable in 12 equal quarterly instalments from the date of the disbursement which carries interest @ 10.75% to 10.98% p.a.		
16	**Non-current provisions (refer note 40)**		
	Provision for gratuity and other employee benefits	**1.55**	2.12
	TOTAL	**1.55**	2.12
17	**Current borrowings**		
	Secured:		
	Loans from Banks		
	- Cash credits	**0.01**	0.01
		0.01	0.01
	Unsecured:		
	Loans		
	Term loan from others*	**-**	99.89
	From related parties	**355.00**	315.00
	Borrowings		
	Current maturities of long-term debts {refer note 19(i)}	**45.20**	63.32
		400.20	478.21
	TOTAL	**400.21**	478.23
	Notes: 1. Unsecured Intercorporate Loan from HCL Corporation Private Limited amounting to ₹ 355 Crs (2021 - ₹ 315 Crs) is repayable in 11 months from the date of availment of each tranche, which is interest free. 2. Short Term Loan of Nil (2021 - ₹ 99.88 Crores) is supported by Corporate Guarantee of ₹ 100 Crs from HCL Corporation Private Limited and is repayable in three equal instalment started from 10th, 11th and 12th month from the date of disbursement and carries interest @ 10.25% p.a. 3. Working Capital facilities of the company are secured by way of (1) First Pari-Passu Charge over the entire present and future current assets, movable fixed assets, and intangible assets (2) Fixed deposit amounting to ₹ 90 lakhs together with accrued interest (3) Negative lien on two identified properties and (4) Corporate Guarantee of ₹ 250 Crs from HCL Corporation Pvt. Ltd. Quarterly return submitted with the Bank / Financial Institutions for these facilities are in agreement with financials of the Company.		

Particulars		As at 31.03.2022 ₹/Crores	As at 31.03.2021 ₹/Crores
18	**Trade payables**		
	(a) Total outstanding dues of micro enterprises and small enterprises and	**4.69**	3.14
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises [Including acceptance ₹ 0.36 crores (2021 - ₹ 13.33 crores)	**69.87**	129.98
	TOTAL	**74.56**	133.12
	*refer note no 34 (iia) disclosure related to ageing of trade payable		
19	**Other financial liabilities**		
	Interest accrued but not due on borrowings	**0.92**	2.35
	Employee benefits payable	**5.51**	10.24
	Capital creditors	**0.21**	0.21
	Deposits	**2.85**	3.54
	Advances received against sale of HCL Infotech Limited (refer Note 49)	**2.00**	2.00
	TOTAL	**11.49**	18.34
20	**Other current liabilities**		
	Deferred revenue	**101.87**	85.79
	Advances received from customers	**40.54**	40.56
	Others	**2.25**	1.86
	Statutory dues payable	**8.57**	10.31
	Advances received against assets held for sale	**0.25**	4.25
	TOTAL	**153.48**	142.77
21	**Current provisions**		
	Provision for gratuity and other employee benefits (refer note 40)	**2.08**	6.11
	Provision for Loss on subsidiary	**-**	-
	Provision for contract losses	**25.27**	35.38
	Provision for litigations {refer note 31 (b)}	**20.69**	11.94
	TOTAL	**48.04**	53.43
22	**Current tax liabilities (net)**		
	Current income tax liabilities	**3.20**	1.98
	TOTAL	**3.20**	1.98

Particulars		Year ended 31.03.2022 ₹/Crores	Year ended 31.03.2021 ₹/Crores
23	**Revenue from operations**		
	Sale of products	**-**	217.15
	Sale of services	**27.74**	2.73
	Revenue from composite contracts (refer note 41)	**41.70**	132.87
	TOTAL	**69.44**	352.75

Particulars		Year ended 31.03.2022 ₹/Crores	Year ended 31.03.2021 ₹/Crores
24	**Other income**		
	Interest Income from financial asset at amortised cost		
	- On fixed deposits	**1.91**	2.38
	- On others	**-**	0.19
	- On trade receivables	**2.44**	23.72
	Net gains on fair value changes on investments	**1.00**	-
	Gain/loss on sale of investment carried at fair value through profit or loss	**0.37**	-
	Net profit on sale of property, plant and equipment	**0.18**	0.25
	Gain on foreign exchange fluctuation	**0.80**	0.51
	Provisions/liabilities no longer required written back	**19.06**	73.14
	Miscellaneous income	**2.49**	4.81
	Scrap sale	**0.53**	0.27
	Interest income from Income tax authorities*	**12.76**	8.00
	TOTAL	**41.54**	113.27
	*The amount shown under the head "Interest of IT Refund" includes ₹ 8.67 Cr. of interest on IT refund received during the year through Karvy innotech Ltd. as part of the Second Stage Consideration payable according to the provisions of clause 2.3.2 (a) of the Share Purchase Agreement dated 31.05.2018.		
25	**Changes in inventories of stock-in-trade**		
	Closing balance		
	- Stock-in-trade	**0.65**	2.97
		0.65	2.97
	Opening balance		
	- Stock-in-trade	**2.97**	28.05
		2.97	28.05
	Changes in inventories of stock-in-trade	**2.32**	25.07
26	**Other direct expenses**		
	Purchase of services	**34.81**	117.77
	Spares and stores consumed	**0.36**	0.37
	TOTAL	**35.17**	118.14
27	**Employee benefits expense**		
	Salaries, wages, bonus and gratuity (refer note 40)	**25.64**	77.42
	Contribution to provident and other funds (refer note 40)	**0.87**	2.79
	Staff welfare expenses	**0.16**	0.28
	TOTAL	**26.67**	80.49
28	**Finance costs**		
	Interest on borrowings*	**13.36**	49.08
	Other borrowing costs	**0.34**	3.27
	TOTAL	**13.70**	52.35
	*includes Nil crores (2021 - ₹ 0.09 crores) interest on lease obligations (refer note 38)		

Particulars		Year ended 31.03.2022 ₹/Crores	Year ended 31.03.2021 ₹/Crores
29	**Other expenses**		
	Rent (refer note 38)	**1.34**	3.05
	Rates and taxes	**6.93**	10.92
	Printing and stationery	**0.18**	0.23
	Communication	**0.73**	0.93
	Travelling and conveyance	**0.73**	0.40
	Packing, freight and forwarding	**0.04**	0.62
	Legal, professional and consultancy charges (refer note 42)	**32.41**	36.26
	Retainership expenses	**8.40**	11.66
	Training and conference	**0.02**	0.05
	Office electricity and water	**1.04**	1.79
	Insurance	**0.77**	3.87
	Advertisement, publicity and entertainment	**0.11**	0.44
	Hire charges	**0.09**	0.94
	Commission on sales	**-**	0.20
	Bank charges	**2.07**	3.21
	Allowance for doubtful debts	**5.85**	88.95
	Allowance for doubtful loans & advances and other current assets	**9.66**	0.98
	Provision for Input tax credit	**8.98**	21.00
	Change in fair value of OCD	**15.56**	-
	Property, plant and equipment written-off	**0.06**	0.40
	Repairs		
	- Buildings	**0.07**	0.07
	- Others	**2.28**	8.33
	Net loss on foreign exchange fluctuation	**0.24**	0.73
	Miscellaneous	**1.67**	4.16
	TOTAL	**99.23**	199.21

30 Exceptional items:

₹/Crores

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
a. Profit on sale of properties (refer note 44)	**104.84**	-
b. Impairment of property, plant and equipment (refer note 44)	**(3.33)**	-
Total	**101.51**	-

31 Contingent Liabilities :

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Claims against the Company not acknowledged as debts:		
Sales tax*	**125.13**	131.05
Excise, Service Tax and Customs*	**460.03**	459.78
Income tax	**34.84**	34.17
Industrial disputes, civil suits and consumer disputes	**5.29**	4.09

* Includes sum of ₹ 139.36 crores (2021 - ₹ 139.98 crores) deposited by the Group.

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the out come of the different legal processes which have been initiated by the Group or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Other Litigations :

"A Charge Sheet No. 01/2012 was filed before the Court against several persons (including a public servant) alleging misappropriation of funds with respect to a contract (for supply of computer hardware and related services under the NRHM Scheme) which was awarded to the Company in 2009 by the UP Government. Subsequent to death of sole public servant, a supplementary Charge Sheet No. 01/2014 was filed with the Court alleging the Company and its employee, therefore summons issued by the Court. The said supplementary charge sheet was purportedly subsequent to further investigation, however the same is without detailing the nature of additional documents and/or statements connecting the Company and/or its employee to any offence. Currently, the case is pending for Prosecution Evidence, however the proceedings have been stayed by the Supreme Court. Management is of the view that the Company has not engaged in any wrong doing and has sufficient defense as regards accusation of "Downward Price Revision" and will succeed in establishing that the same is a false allegation."

(c) The Group has certain sales tax, other indirect tax and civil matters against which provision of ₹ 20.69 crores (2021- ₹ 11.94 crores) have been made. Provision of ₹ 3.40 crores (2021- ₹ 3.23 crores) has been made during the year and ₹ 0.71 crores (2021- ₹ 3.07) utilised during the year.

32 Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Corporation Private Limited

b) Others (Enterprises over which, individual having indirect significant influence over the Group, has significant influence) and with whom transactions have taken place during the year and/or where balances exist:

HCL Technologies Limited

HCL Comnet Limited (Amalgamated with HCL Technologies Limited in July 2020)

HCL Training & Staffing Services Private Limited

HCL Talent Care Private Limited (Merged with HCL Corporation Private Limited)

Shiv Nadar Foundation

VAMA Sundari Investments (Delhi) Private Limited

c) Key Management Personnel:

Mr. Kapil Kapur -CFO (Mr. Kapil Kapur resigned from the position of CFO w.e.f. 31st May, 2021 and Mr. Alok Sahu was appointed as CFO w.e.f. 1st June, 2021.

Mr. Sushil Jain- Company Secretary (Mr. Sushil Jain was superannuated w.e.f. closing hours of 31st March, 2021 and Ms. Komal Bathla was appointed as Company Secretary w.e.f. 1st April, 2021).

Mr. Raj Sachdeva was appointed as the Manager of the Company w.e.f. 1st May 2021, approval of shareholders have been taken in the Annual General Meeting held on 22nd September, 2021.

Mr. Vinod Pulyani had been appointed as the Manager of the Company w.e.f. 29th September 2020 subject to the approval of the shareholders in the next Annual General Meeting. He subsequently resigned from the position of the manager of the Company w.e.f. 30th April 2021.

d) Summary of consolidated related party disclosures:

Note: All transactions with related parties have been entered into in the normal course of business.

(₹ Crores)

A. Transactions (YTD)	Company having substantial interest*#		Others		Key Management Personnel		Total	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Sales and related income	-	-	-	17.23	-	-	-	17.23
- HCL Technologies Limited	-	-	-	17.14	-	-	-	17.14
- Vama Sundari Investments (Delhi) Private Limited	-	-	-	0.03	-	-	-	0.03
- SSN Trust	-	-	-	0.02	-	-	-	0.02
- KRN Education Private Limited	-	-	-	0.04	-	-	-	0.04
Purchase of services	-	-	1.99	1.83	-	-	1.99	1.83
- HCL Technologies Limited	-	-	1.99	1.83	-	-	1.99	1.83
Current borrowings taken (net)	40.00	289.00	-	-	-	-	40.00	289.00
- HCL Corporation Private Limited	40.00	289.00	-	-	-	-	40.00	289.00
Interest on loans and advance taken (net)	-	2.07	-	-	-	-	-	2.07
- HCL Corporation Private Limited	-	2.07	-	-	-	-	-	2.07
Purchase of goods	-	-	-	0.14	-	-	-	0.14
- HCL Software Products Ltd.	-	-	-	0.14	-	-	-	0.14
Rent received	-	-	2.17	2.49	-	-	2.17	2.49
- HCL Technologies Limited	-	-	2.17	1.65	-	-	2.17	1.65
- HCL Training & Staffing Services Pvt. Ltd.	-	-	-	0.83	-	-	-	0.83
Rent Expense	-	-	0.18	-	-	-	0.18	-
- SSN Investments (Pondi) Private Limited	-	-	0.18	-	-	-	0.18	-
Remuneration	-	-	-	-	2.77	2.09	2.77	2.09
- Mr. Alok Sahu	-	-	-	-	0.87	-	0.87	-
- Ms.Komal Bathla	-	-	-	-	0.14	-	0.14	-
- Mr.Sushil Jain	-	-	-	-	0.21	0.59	0.21	0.59
- Mr. Raj Sachdeva	-	-	-	-	0.65	-	0.65	-
- Mr.Kapil Kapur	-	-	-	-	0.90	1.50	0.90	1.50
Reimbursements towards expenditure made*	0.06	0.50	-	-	-	-	0.06	0.50
- HCL Corporation Private Limited	0.06	0.50	-	-	-	-	0.06	0.50
B. Amount due to/from related parties at year end^								
Trade receivables	-	-	0.90	2.45	-	-	0.90	2.45
Other Recoverable	0.07	0.07	-	-	-	-	0.07	0.07
Loans and advances	355.00	315.00	-	-	-	-	355.00	315.00
Trade payables	0.03	0.03	3.03	3.97	-	-	3.06	4.00
Other payables	-	-	-	-	-	-	-	-

*Corporate guarantee utilised ₹ 124.71 crores (2021 - ₹ 100 crores), also refer note 46

^Amount due to / from related parties are unsecured and are receivable / payable in cash

(₹ Crores)

e) Compensation of key management personnel of the Company*	Year ended 31.03.2022	Year ended 31.03.2021
Short-term employee benefits	**2.77**	2.09
Total compensation paid to key management personnel	**2.77**	2.09

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

*Post employment benefit comprising gratuity, and compensated absences are not disclosed as these are determined for the Group as a whole.

33 Financial Instruments

The carrying value of financial instruments by categories are as under as at 31.03.2022:

₹/Crores

Particulars	Notes	Fair Value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets						
Non-current assets						
(i) Others Financial Assets	4	-	-	**24.42**	**24.42**	**24.42**
		-	-	(39.70)	(39.70)	(39.70)
		-	-	**24.42**	**24.42**	**24.42**
		-	-	(39.70)	(39.70)	(39.70)
Current assets						
(i) Investments	4	-	**97.00**	-	**97.00**	**97.00**
		-	-	-	-	-
(ii) Trade receivables	9	-	-	**27.65**	**27.65**	**27.65**
		-	-	(86.86)	(86.86)	(86.86)
(iii) Cash and cash equivalents	10	-	-	**21.88**	**21.88**	**21.88**
				(38.82)	(38.82)	(38.82)
(iv) Bank balances other than (iii) above	11	-	-	**44.64**	**44.64**	**44.64**
				(5.67)	(5.67)	(5.67)
(v) Others	12	-	-	**5.21**	**5.21**	**5.21**
				(10.84)	(10.84)	(10.84)
		-	**97.00**	**99.38**	**196.38**	**196.38**
		-	-	(142.19)	(142.19)	(142.19)
Financial Liabilities						
Non-current liabilities						
(i) Borrowings	15(i)	-	-	**13.83**	**13.83**	**13.83**
		-	-	(59.03)	(59.03)	(59.03)
(ii) Lease liabilities	15(ii)	-	-	-	-	-
		-	-	(0.28)	(0.28)	(0.28)
		-	-	**13.83**	**13.83**	**13.83**
		-	-	(59.31)	(59.31)	(59.31)
Current liabilities						
(i) Borrowings	17	-	-	**400.21**	**400.21**	**400.21**
		-	-	(478.23)	(478.23)	(478.23)
(ii) Trade payables	18	-	-	**74.56**	**74.56**	**74.56**
		-	-	(133.12)	(133.12)	(133.12)
(iii) Other financial liabilities	19	-	-	**11.49**	**11.49**	**11.49**
		-	-	(18.34)	(18.34)	(18.34)
		-	-	**486.26**	**486.26**	**486.26**
		-	-	(629.69)	(629.69)	(629.69)

Note: Previous year figures are given in brackets.

34 Financial Risk Management

The Group activities expose it to market risk, liquidity risk and credit risk. The Group financial risk management is an integral part of how to plan and execute its business strategies.

In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Investments Trade receivables Cash and cash equivalents Bank balances Loans Other financial assets	Ageing analysis and credit appraisal	Diversification of bank deposits, investments, credit limits and letters of credit
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities and liquid investments and financial support from parent company
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Functional currency	Position of net foreign exchange risk, based on relative assets and liabilities	Forward foreign exchange contracts

The Company's risk management is carried out by the treasury under policies approved by the senior management and audit committee.

34 (i) Credit Risk

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable and unbilled revenues.

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Investment primarily includes investment in mutual funds.

The credit risk is managed by the Group through credit approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of accounts receivables.

The Group uses a provision matrix to compute the expected credit loss for trade receivable and lease rent recoverable, the provision matrix takes into consideration historical credit loss experience and other relevant available external and internal credit risk factors.

Agewise breakup of trade receivables and contract assets are given below:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Debtors billed but not due	**217.21**	273.91
0-90 days past due	**2.24**	45.74
91-180 days past due	**1.07**	6.21
180-365 days past due	**14.22**	4.11
1-2 years past due	**1.07**	5.06
More than 2 years past due	**210.22**	203.84
	446.03	538.87

Includes contract assets amounting to ₹ 216.10 crores (2021 - ₹ 247.25 crores)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a trade receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

The summary of life time expected credit loss allowance made on customer balances during the year and balance at the year end is given below:

₹/Crores

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning	**378.53**	317.22
Provided during the year	**6.18**	88.95
Reversal during the year	**-**	(15.05)
Amounts written off	**-**	(12.59)
Balance at the end	**384.71**	378.53
Weighted average loss rate (Percentage)	**86.25%**	70.25%

34 (ia) Ageing Schedule in respect of trade receivables for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables-considered good	1.24	2.25	13.66	-	-	-	17.15
	(7.88)	(54.57)	(2.97)	-	-	-	(65.42)
(b) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	38.66	38.66
	-	-	-	-	-	(35.91)	(35.91)
(c) Undisputed trade receivables-credit impaired	-	0.61	0.69	0.77	-	92.70	94.76
	-	-	(0.15)	(0.71)	-	(94.83)	(95.70)
(d) Disputed trade receivables-considered good	-	-	-	-	-	10.50	10.50
	-	-	-	-	-	(21.44)	(21.44)
(e) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	68.86	68.86
	-	-	-	-	-	(64.50)	(64.50)
(f) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	1.24	2.86	14.35	0.77	-	210.72	229.93
	(7.88)	(54.57)	(3.12)	(0.71)	-	(216.68)	(282.96)
Less: Allowance for doubtful debts							202.28
							(196.10)
							27.65
							(86.86)
Unbilled Revenue including Contract Assets (refer note 12 and 13)							37.65
							(78.55)
Total							65.30
							(165.41)

Note: Previous year figures are given in brackets.

34 (ib) Relationship with struck off Companies for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Lure Info Solution Pvt.Ltd	Advance from customer	- (0.00)	Customer
Arka Racks Information Systems	Trade receivable	0.04 (0.04)	Customer
Asian Cerc Information	Advance from customer	0.01 (0.01)	Customer
Sandeep Marketing Pvt. Ltd.	Trade receivable	0.00 (0.00)	Customer
Expertvision Infotech Pvt Ltd	Trade receivable	0.01 (0.01)	Customer
Indiaontime Express Pvt Ltd	Trade receivable	0.01 (0.01)	Customer
Remi Metals Gujarat Ltd	Trade receivable	0.00 (0.00)	Customer
Twinberry Computer Pvt Ltd	Trade receivable	0.00 (0.00)	Customer
Vitresent Infomedia Pvt Ltd	Trade receivable	0.00 (0.00)	Customer
Emkor Solutions Limited	Trade receivable	0.00 (0.00)	Customer
Spinel Tradecom Pvt Ltd	Trade receivable	0.01 (0.01)	Customer
Lure Info Solution Pvt.Ltd	Trade receivable	0.00 (0.00)	Customer
Jonaki Tech Systems Pvt Ltd	Trade receivable	0.00 (0.00)	Customer
Simlink Systems Private Limited	Trade receivable	0.00 (0.00)	Customer
Vrinka Overseas Private Limited	Trade receivable	0.00 (0.00)	Customer
Harinagar Sugar Mills Ltd	Advance from customer	0.00 (0.00)	Customer
Harinagar Sugar Mills Ltd	Advance from customer	0.00 (0.00)	Customer
Microland Limited	Advance from customer	0.00 (0.00)	Customer
Gujarat Telelink Pvt Ltd	Trade receivable	0.00 (0.00)	Customer
Central Coalfield Ltd.	Advance from customer	0.00 (0.00)	Customer
I Cube Intech Pvt Limited	Trade receivable	0.00 (0.00)	Customer
India Glycols Limited	Trade receivable	0.00 (0.00)	Customer
Deloitte Consulting India Pvt Ltd	Trade receivable	0.01 (0.01)	Customer

₹/Crores

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Deloitte Consulting India Pvt Ltd	Trade receivable	0.02 (0.02)	Customer
Winger Software Services Pvt Ltd	Trade receivable	0.03 (0.03)	Customer
Serene Global Services Pvt Ltd	Advance from customer	0.02 (0.02)	Customer
Swastika Entertainment Private Limited	Trade receivable	0.04 (0.04)	Customer
Digi Communication Private Ltd.	Advance from customer	0.01 (0.01)	Customer

Note: Previous year figures are given in brackets.
Amount in '0.00' represents less than ₹ one lakh rupees.

34 (ii) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at 31.03.2022.

₹/Crores

Particulars	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years
Non-derivatives					
Borrowings					
- From banks	**-** -	**-** -	**-** -	**-** -	**-** -
- From others	**414.03** (537.24)	**-** -	**355.00** (478.21)	**59.03** (59.03)	**-** -
- Cash credit	**0.01** (0.01)	**0.01** (0.01)	**-** -	**-** -	**-** -
Lease obligation	**-** (0.28)	**-** -	**-** -	**-** (0.28)	**-** -
Trade payables	**74.56** (133.12)	**-** -	**74.56** (133.12)	**-** -	**-** -
Other financial liabilities					
- Deposits	**2.85** (3.54)	**-** -	**2.85** (3.54)	**-** -	**-** -
- Interest accrued but not due	**0.92** (2.35)	**-** -	**0.92** (2.35)	**-** -	**-** -
- Capital creditors	**0.21** (0.21)	**-** -	**0.21** (0.21)	**-** -	**-** -
- Employee benefit payable	**5.51** (10.24)	**-** -	**5.51** (10.24)	**-** -	**-** -
- Unpaid dividends/deposits	**-** -	**-** -	**-** -	**-** -	**-** -
- Others	**2.00** (2.00)	**-** (0.00)	**2.00** (2.00)	**-** -	**-** -
Total non-derivative liabilities	**500.09** (690.97)	**0.01** (0.01)	**441.06** (629.68)	**59.03** (59.31)	**-** -

Note: Previous year figures are given in brackets.

34 (iia) Ageing Schedule in respect of trade payable for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	0.27 -	1.57 (0.52)	0.48 (0.15)	0.16 (0.21)	2.20 (2.27)	4.69 (3.14)
(b) Others	1.06 (29.07)	4.89 (3.35)	0.33 (3.24)	0.90 (2.32)	21.28 (21.94)	28.47 (59.92)
(c) Disputed dues - MSME	- -	- -	- -	- -	- -	- -
(d) Disputed dues - Others	- -	- (0.26)	0.26 (1.59)	1.59 -	5.96 (5.69)	7.81 (7.54)
Total	1.33 (29.07)	6.46 (4.13)	1.08 (4.97)	2.66 (2.52)	29.44 (29.90)	40.96 (70.60)
Provision						33.60 (62.52)
Total						74.56 (133.12)

Note: Previous year figures are given in brackets.

34 (iib) Relationship with struck off Companies for the year ended March 31, 2022 and March 31, 2021

₹/Crores

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Arka Industrial Monitoring	Trade Payable	- (0.00)	Vendor
FG Events Private Limited	Trade Payable	0.00 (0.00)	Vendor
Global Securities	Trade Payable	0.00 (0.00)	Vendor
Green Trans Solutions Private Limited	Advance to vendor	- (0.00)	Vendor
Netfocus Technologies Private Limited	Trade Payable	0.01 (0.01)	Vendor
Glossy Tech Engineering Works Private Limited	Trade Payable	- (0.06)	Vendor
Kiranoday Engineering Products Private Limited	Trade Payable	0.00 (0.00)	Vendor
Tps India Pvt Ltd	Trade Payable	0.00 (0.00)	Vendor
Expertvision Infotech Private Limited	Trade Payable	0.01 (0.01)	Vendor
Rupe Paytech Private Limited	Advance to vendor	- (0.00)	Vendor

₹/Crores

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Evergrow Multitrade Pvt Ltd	Trade Payable	- (0.08)	Vendor
Team Imaging Private Limited	Trade Payable	0.00 (0.00)	Vendor
Readybakes Pvt Ltd	Advances to vendor	- (0.00)	Vendor
Metropolitan Stationers (Bombay)	Trade Payable	0.00 (0.00)	Vendor
Compusoft Vision Pvt Limited	Trade Payable	0.00 (0.00)	Vendor
Himex Couriers & Cargo Pvt. Ltd.	Trade Payable	0.00 (0.00)	Vendor
Ctl Telecom Pvt Ltd	Trade Payable	0.00 (0.00)	Vendor
V.Net Technology Pvt Ltd	Trade Payable	0.00 (0.00)	Vendor
Voipnet Technologies Pvt. Ltd.	Trade Payable	0.00 (0.00)	Vendor

Note: Previous year figures are given in brackets.
Amount in '0.00' represents less than ₹ one lakh rupees.

34 (iii) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's does not have any exposure to the risk of changes in market interest rates as there is no such borrowings.

(ii) Foreign currency risk

The Group's operations are primarily in India and in INR and therefore, is not exposed to significant foreign currency risk. The Group evaluates the exchange rate exposure arising from foreign currency transactions and follows established risk management policies which are approved by the senior management and the Finance Committee, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

34 (iv) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

₹/Crores

Particulars	USD
Financial Assets	
Trade receivables	**14.49** (16.44)
Net exposure to foreign currency risk (assets)	**14.49** (16.44)
Financial Liabilities	
Trade Payables	**9.70** (8.79)
Derivative liabilities	
Foreign exchange forward contracts	**-** -
Net exposure to foreign currency risk (liabilities)	**9.70** (8.79)

Note: Previous year figures are given in brackets.

(b) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures relating to financial instruments to reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

Particulars		Impact on profit or loss and equity (in ₹ Crores)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
	Change in FC exchange rate by	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
USD	5%	0.24	0.38	(0.24)	(0.38)

35 Capital Management

Risk management

The Group's objective when managing capital are to safeguard their ability to continue as going concern and to maintain an optimal capital structure to reduce the cost of capital.

The Capital structure as of 31.03.2022 and 31.03.2021 were as follows:

₹/Crores

	As at 31.03.2022	As at 31.03.2021
Total Debt	**414.04**	537.25
Equity	**(215.11)**	(240.07)
Capital and net debt	**198.93**	297.18
Gearing ratio	**208.13%**	180.78%

36 Segment Reporting

The Company's chief operating decision maker, considering the products' portfolio and geographies of operations, has identified following as primary business segments :

(i) Hardware Products & Solution business comprise of sale of IT products and solutions to enterprise and government customers.

(ii) Learning business includes rendering training services, sale of educational digital content and related Hardware offerings for private schools, colleges and other education institutes and vocational training.

(iii) The distribution segment consist of distribution of (a) Consumer Products including telecommunication, digital lifestyle products and consumer electronic & home appliances (b) Enterprise products including IT products, Enterprise software and Office Automation products.

Consolidated segment wise performance for the year ended 31.03.2022

₹/Crores

Primary segments	Hardware products and solutions	Distribution	Learning	Inter-segment elimination	Total
(i) Revenue					
External revenue	**60.96** (135.37)	**8.48** (217.38)			**69.44** (352.75)
Inter-segment revenue	**-** -	**-** -	**-** -	**-** -	**-** -
Total gross revenue	**60.96** (135.37)	**8.48** (217.38)	**-** -	**-** -	**69.44** (352.75)
(ii) Results	**(30.48)** (-82.18)	**2.45** (-34.39)	**0.51** (1.18)	**-**	**(27.52)** (-115.39)
Other un-allocable expenditure net off un-allocable (income)	**-** -	**-** -	**-** -	**-** -	**38.54** (44.75)

Primary segments	Hardware products and solutions	Distribution	Learning	Inter-segment elimination	Total
Operating profit	**-**	**-**	**-**	**-**	**(66.06)**
	-	-	-	-	(-160.14)
Add: Other income (excluding operational income)	-	-	-	-	**4.00**
	-	-	-	-	(17.74)
Less: Finance charges	**-**	**-**	**-**	**-**	**13.71**
	-	**-**	**-**	**-**	(52.35)
Profit/(loss) before exceptional and extraordinary items and tax	**-**	**-**	**-**	**-**	**(75.77)**
	-	-	-	-	(-194.75)
Exceptional items	**-**	**-**	**-**	**-**	**101.51**
	-	**-**	**-**		
Profit/(loss) before tax	**-**	**-**	**-**	**-**	**25.74**
	-	-	-	-	(-194.75)
Less: Tax expense	**-**	**-**	**-**	**-**	**(1.22)**
	-	-	-	-	(-1.98)
Profit after tax	**-**	**-**	**-**	**-**	**24.52**
	-	-	-	-	(-196.73)
(iii) Segment assets as at					
- March 31, 2022	**170.26**	**100.78**	**0.79**	**-**	**271.83**
- March 31, 2021	(281.61)	(140.96)	(1.92)	-	(424.49)
Unallocated corporate assets					
-March 31, 2022	**-**	**-**	**-**	**-**	**219.42**
-March 31, 2021	-	-	-	-	(224.73)
Total assets as at					
-March 31, 2022	**-**	**-**	**-**	**-**	**491.25**
-March 31, 2021	-	-	-	-	(649.22)
(iv) Segment liabilities as at					
-March 31, 2022	**225.47**	**24.16**	**0.59**	**-**	**250.22**
-March 31, 2021	(264.86)	(42.04)	(1.30)	-	(308.20)
Unallocated corporate liabilities as at					
-March 31, 2022	**-**	**-**	**-**	**-**	**456.14**
-March 31, 2021	-	-	-	-	(581.09)
Total liabilities as at					
-March 31, 2022	**-**	**-**	**-**	**-**	**706.36**
-March 31, 2021	-	-	-	-	(889.29)
(v) Capital expenditure (allocable)	**(0.00)**	**-**	**-**	**-**	**(0.00)**
Capital expenditure (unallocable)	**-**	**-**	**-**	**-**	**0.26**
	-	-	-	-	(0.21)
(vi) Depreciation	**0.42**	**0.12**	**-**	**-**	**0.53**
	(0.85)	(0.24)	-	-	(1.09)
Depreciation (unallocable)	**-**	**-**	**-**	**-**	**0.93**
	-	-	-	-	(3.18)
(vii) Other non cash expenses (allocable)	**10.50**	**29.53**	**0.07**	**-**	**(40.10)**
	(86.03)	(4.24)	(0.15)	-	(90.42)

Note: Previous year figures are given in brackets.

Segment disclosure presented above pertains to continuing operations.

There are no transactions with a single external customer that amount to 10 percent or more of the group's revenue.

The Company is domiciled in India. The amounts of its revenue from external customers attributed the entity's country of domicile and to all foreign countries is shown in the table below:

(₹ Crores)

Revenue from external customers (continuing operations)	Year ended 31.03.2022	Year ended 31.03.2021
India	**69.44**	352.75
Other countries	**-**	-
Total	**69.44**	352.75

The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

(₹ Crores)

Non current assets	Year ended 31.03.2022	Year ended 31.03.2021
India	**186.88**	297.29
Other countries	**0.67**	0.62
Total non - current assets	**187.55**	297.91

37 Taxation:

(a) Provision for taxation has been computed by applying the Income Tax Act, 1961 and other relevant tax regulations in the jurisdiction where the Group conducts the business to the profit for the period. 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 tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

(b) Deferred Tax:

Unrecognized deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the company can use the benefits therefrom:

(₹ Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Deductible temporary differences	440.53	379.07
Unused tax losses	928.58	1,123.35
Total temporary differences and unused tax losses	**1,369.11**	**1,502.42**
Potential tax benefit @ 22.88 / 31.20% (FY'2021 - 22.88 / 31.20%)	**324.74**	**393.26**
Unutilized tax credit	**1.49**	**38.75**
Total Potential tax benefit @ 22.88/31.20% (FY'2021 -22.88/ 31.20%)	**326.23**	**432.01**

(c) **Income tax expense (Continuing operations)**

This note provides an analysis of the Group's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

(₹ Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Income tax expense		
Current tax on profits for the year	**-**	-
Adjustments for current tax of prior periods	**1.22**	1.98
Total current tax expense	**1.22**	1.98
Deferred tax		
Decrease (increase) in MAT Credit	**-**	**-**
Decrease/(increase) in deferred tax assets	-	
(Decrease)/increase in deferred tax liabilities	-	
Total deferred tax expense/(benefit)	**-**	-
Income tax expense	**1.22**	1.98

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ Crores)

Particulars	31.03.2022	31.03.2021
Profit/(Loss) before income tax expense after other comprehensive income	**25.74**	(319.30)
Tax at the Indian tax rate of 31.20%/22.88% (2021 – 31.20%/22.88%**)**	**5.75**	(90.10)
Temporary differences on which no DTA recognised	**6.81**	26.39
Profit on sale of capital assets adjusted against capital tax loss	**(23.99)**	-
Adjustments for current tax of prior periods	**1.22**	1.98
Short term capital gain adjusted against current year business losses	**7.65**	-
Tax losses on which no deferred tax was recognized	**3.77**	63.65
Income tax expense	**1.22**	**1.98**

The unused tax losses is not likely to generate taxable income in foreseeable future. The losses can be carried forward as per details below:

(₹ Crores)

Expiry year	As at 31.03.2022	As at 31.03.2021
31.03.2022	**-**	119.06
31.03.2023	**126.39**	126.39
31.03.2024	**129.47**	129.47
31.03.2025	**55.85**	61.63
31.03.2026	**103.67**	109.66
31.03.2027	**143.62**	149.87
31.03.2028	**131.69**	122.87
31.03.2029	**127.06**	170.91
31.03.2030	**2.55**	-
No limit	**108.29**	133.50
Total	**928.58**	**1,123.35**

Note: Excluding unused capital loss.

38 Leases:

a) Finance Leases:

As Lessor:

(i) The Group has given on finance lease certain assets/inventories which comprise of computers, radio terminals and office equipments, etc. These leases have a primary period, which is fixed and non-cancelable. There are no exceptional/restrictive covenants in the lease agreements.

(ii) The gross investment in the assets given on finance leases as at 31.03.2022 and its present value as at that date are as follows:

₹/Crores

Particulars	Total minimum lease receivable	Interest included in minimum lease receivable	Present value of minimum lease receivable
Not later than one year			
31.03.2022	**3.93**	**1.13**	**2.80**
31.03.2021	(3.93)	(1.13)	(2.80)
Later than one year and not later than five years			
31.03.2022	**-**	**-**	**-**
31.03.2021	-	-	-
Total			
31.03.2022	**3.93**	**1.13**	**2.80**
31.03.2021	(3.93)	(1.13)	(2.80)

Note: Previous year figures are given in brackets.

b) Cancelable Operating Leases

As Lessor: **₹/Crores**

Particulars	As at	Gross Block	Accumulated Depreciation	Net Block	Depreciation Expense
Freehold land	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(1.87)	-	(1.87)	-
Building	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(13.47)	(1.46)	(12.01)	(0.25)
Plant and machinery*	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(2.16)	(1.93)	(0.23)	(0.23)
Furniture and fixtures and office equipments	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(5.22)	(3.31)	(1.92)	(0.48)
Computers	**31.03.2022**	**-**	**-**	**-**	**-**
	31.03.2021	(0.16)	(0.16)	(0.00)	(0.00)
	31.03.2022	**(0.01)**	**-**	**-**	**-**
Total	31.03.2021	(22.88)	(6.85)	(16.03)	(0.96)

Note: Previous year figures are given in brackets.

*The premises given on lease has been classified as held for sale as at March 31, 2022.

c) As a Lessee

The Group has taken godown premises under lease. These are generally not non-cancellable leases having unexpired period upto three years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement. In terms of criteria specified in Ind AS 116 Leases, for some of these leases (i.e. leases other than with short term period or low value assets), present value of all future lease payments had been recognised as Right-of-use assets and lease liabilities with the charge for depreciation on Right-of-use assets and interest on lease liabilities in the statement of profit and loss during the current year (refer note 3(b) & 28) and for other leases, yearly lease payments continued to be expensed off on straight line basis over lease term as rent expenses (refer note 29).

Payments recognised as expense

(₹ Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Depreciation expense - Right-of-use assets (refer note 3(b))	**0.11**	0.79
Interest on lease liabilities (refer note 28)	**0.01**	0.09
Rent expense - short term leases (refer note 29)	**1.34**	3.05

Total cash outflow for leases during the year ended 31 March 2022 is ₹ 0.28 crores (31 March 2021: ₹ 1.33 crores).

39 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The profit/ (loss) considered in ascertaining the Group's EPS represent loss for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit/(Loss) after tax from continuing operations attributable to equity shareholders of the Company (₹/Crores)	**24.52**	(196.73)
Profit/(Loss) after tax from continuing operations (₹/Crores)	**24.52**	(196.73)
Weighted average number of shares considered as outstanding in computation of Basic EPS	**32,92,09,928**	32,92,09,928
Weighted average number of shares outstanding in computation of Diluted EPS	**32,92,09,928**	32,92,09,928
Basic EPS (of ₹ 2/- each) (₹ Per share)		
From continuing operations	**0.74**	(5.98)
Diluted EPS per share (of ₹ 2/- each) (₹ Per share)		
From continuing operations	**0.74**	(5.98)

40 The Group has calculated the various benefits provided to employees as under:

(a) Defined Contribution

During the year, the Group has recognised the following amounts in the statement of profit and loss:

(₹ Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Employers contribution to superannuation fund*	**0.04**	0.19
Employers contribution to national pension scheme*	**0.05**	0.09
Employers contribution to employee state insurance*	**0.02**	0.16
Employers contribution to employee's pension scheme 1995*	**0.38**	1.31

* Included in Contribution to Provident and Other Funds under Employee benefits expense (refer note 27).

(b) Defined Benefit

(i) Gratuity

(ii) Provident Fund#

The Company contributes to the employee provident fund trust "Hindustan Computers Limited Employees Provident Fund Trust" which is managed by the Company. The Company's Provident Fund Trust is exempted under Section 17 of Employees' Provident Fund Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. As per Ind AS – 19, Employee Benefits, provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The Trust includes employees of the Company as well as of it's Indian wholly owned subsidiaries. In view of the same, it is a multi employer defined benefit plan.

The Trust has been investing the Provident fund contributions of the employees of all the Indian wholly owned subsidiaries in a composite manner and the same cannot be separately identified entity wise.

In view of the same an actuarial valuation, in accordance with the Ind AS-19, was carried out at composite level. As per actuarial certificate there is no shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the "liability on account of interest rate guarantee" is nil.

In accordance with IND AS 19, an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Gratuity		Provident Fund	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Discount rate (per annum)	**5.03%**	4.59%	**-**	-
Rate of increase in compensation levels	**7.00%**	5.00%	**-**	-
Rate of return on plan assets	**-**	-	**-**	-
Expected statutory interest rate	**-**	-	**8.10%**	8.50%
Expected short fall in interest earnings	**-**	-	**0.05%**	0.05%
Expected average remaining working lives of employees (years)	**9.92**	10.25	**9.92**	10.25

As of 31.03.2022, every 0.5 percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately by ₹ 0.02 crores.

As of 31.03.2022, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect our gratuity benefit obligation by approximately ₹ 0.02 crores.

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Description of risk exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability

₹/Crores

Particulars	2022		2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	**3.02**	**130.66**	5.41	133.22
Current service cost	**0.18**	**1.59**	0.29	1.06
Past service cost	**-**	-		
Interest cost	**0.14**	**10.10**	0.31	10.95
Total amount recognised in profit or loss	**0.32**	**11.68**	0.60	12.01

₹/Crores

Particulars	2022		2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/loss from change in demographic assumptions	**(0.19)**	**-**	(0.18)	0.00
Actuarial (gain)/loss from change in financial assumptions	**0.31**	**(0.00)**	0.13	0.00
Experience (Gain)/loss	**0.28**	**(1.65)**	(0.24)	0.09
Total amount recognised in other comprehensive income	**0.41**	**(1.65)**	(0.29)	0.09
Benefits (paid)	**(1.65)**	**(28.54)**	(2.70)	(19.84)
Settlements/transfer In	**-**	**0.23**	-	1.36
Contribution by plan participants	**-**	**0.41**	-	3.82
Present value of obligation at the end of the year	**2.10**	**112.79**	3.02	130.66

₹/Crores

Particulars	2022 Provident Fund	2021 Provident Fund
Reconciliation of opening and closing fair value of plan assets:		
Fair value of plan assets at the beginning of the year	**151.76**	152.56
Expected Return on Plan Assets	**12.09**	12.79
Employer Contribution	**1.59**	1.06
Settlements/Transfer In	**0.23**	1.36
Employee Contribution	**0.41**	3.82
Benefit Paid	**(28.54)**	(19.84)
Difference in Opening	**-**	0.00
Actuarial gain/(loss) on Plan Assets		
Fair value of plan assets at the end of the year	**137.53**	151.76

₹/Crores

Particulars	2022		2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Cost recognised for the year:				
Current service cost	**0.18**	**-**	0.29	-
Company contribution to Provident Fund	**-**	**1.59**	-	1.06
Past service cost	**-**	**-**	-	-
Interest cost	**0.14**	**-**	0.31	-
Actuarial (gain)/loss	**0.41**	**-**	(0.29)	-
Interest guarantee liability	**-**	**-**	-	-
Shortfall in fund	**-**	**-**	-	-
Net cost recognised for the year*	**0.73**	**1.59**	0.30	1.06

* Included in salaries, wages, bonus and gratuity for gratuity and contribution to provident and other funds for provident fund under employee benefits expense (refer note 27).

The Group contribution to the provident fund for the year is ₹ 0.38 crores (2021 - ₹ 1.04 crores) and the remaining relates to other related companies as mentioned above.

The major categories of plan assets are as follows:

Particulars	As at 31.03.2022 Unquoted in %	As at 31.03.2021 Unquoted in %
Central Government Securities	**41.00**	41.62
State Government Securities	**21.00**	19.90
Public Sector Bonds	**25.00**	25.31
Special Deposit Scheme	**12.00**	10.65
Equity	**1.00**	0.55
Bank Balance	**-**	1.97
Total	**100.00**	100.00

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

(₹ Crores)

Particulars	Gratuity	
	31.03.2022	31.03.2021
Present value of the obligation as at the end of the year	**2.10**	3.02
Fair value of plan assets at the end of the year	**-**	-
Assets/(Liabilities) recognised in the Balance Sheet	**(2.10)**	(3.02)
Experience adjustment in plan liabilities	**-**	-
Experience adjustment in plan assets	**-**	-

(₹ Crores)

Particulars	Provident Fund	
	31.03.2022	31.03.2021
Present value of the obligation as at the end of the year	**(112.79)**	(130.66)
Fair value of plan assets at the end of the year	**137.53**	151.76
Assets/(Liabilities) recognised in the Balance Sheet	**-****	-**
Expected Contribution to the provident fund in the next year	**0.77**	0.43

** As there is surplus, same has not been recognised in Balance Sheet.

41 Contracts-in-progress

(₹ Crores)

Non current assets	As at 31.03.2022	As at 31.03.2021
Revenue from composite contracts recognised for the year	**41.70**	132.87
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the year ended	**2,224.28**	5,365.36
The amount of advances received	**31.67**	31.49
Gross amount due from customers for contracts-in-progress	**3.99**	5.06
Gross amount due to customers for contracts-in-progress	**99.99**	83.16

42 Remuneration to Auditor*:

(₹ Crores)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Auditor	**0.68**	0.83
For taxation matters	**0.02**	0.24
For company law matters	**0.00**	0.23
For other services	**0.10**	0.03
For reimbursement of expenses	**0.04**	0.00
Total	**0.84**	**1.33**

* Excluding GST as applicable.

43 Status of Charges beyond statutory period (borrowings)

The following satisfaction is yet to registered with Registrar of Companies beyond statutory period for the year ended March 31, 2022.

Charge Id	Charge Holder Name	Date of Creation/ Modification	Brief description of charges	Location of registrar	Period of delay (in month)	Amount in INR	Reason for delay
90060501	Indian Bank	27/11/2002	working capital loan from banks	Delhi		10,70,00,000	
90045479	State Bank of Mysore	13/01/1989	working capital loan from banks	Delhi		50,00,000	
90045470	United Commercial Bank	22/12/1988	working capital loan from banks	Delhi		1,58,00,000	
90045466	State Bank of Hyderabad	09/12/1988	working capital loan from banks	Delhi	Refer note 1	26,00,000	Refer Note 1
90045429	State Bank of Patiala	07/09/1988	for purchase of plant and machinery	Delhi		75,00,000	
90161667	State Bank of Mysore	15/07/1982	Not available in records	Delhi		2,00,000	

Note 1: The above charges are appearing on ROC website in respect of facilities availed by the Company in earlier years and closed long time back. Satisfaction of above with ROC requires no objection certificate from respective lenders which could not be obtained due to:

- Lenders are unable to find any details of these charges in their system as these are very old charges

- Some banks have got merged into other banks and in transition these charges are not appearing in their records.

44 In order to reduce Company's debt obligations, the Company decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to scale down in operations of the Company. Pursuant to the Board approvals, the company initiated the process to sell immovable properties of the company. Accordingly, the company has sold certain properties having net carrying amount of ₹ 35.23 crores, for a total consideration of ₹ 140.07 crores, resulting overall gain of ₹ 104.84 crores (year ended March 31, 2021: Nil). In addition, the company is in the process to sell five properties having gross carrying amount of ₹ 15.10 crores, accumulated depreciation of ₹ 4.87 crores and net carrying amount of ₹ 6.90 crores which has been classified as held for sale as on March 31,2022. Realisable value of these properties expected to be higher than net carrying value except for one property in respect of which provision for impairment of ₹ 3.33 crores has been recognised. Overall gain and provision for impairment has been shown as an exceptional item.

45 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 As at March 31, 2022, the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net profit of ₹ 24.52 Crores during the current year (March 31, 2021: Loss ₹ 196.73 Crores) and the Group's current liabilities exceeded its current assets by ₹ 411.70 Crores (March 31, 2021 - ₹ 516.25 Crores) as at March 31, 2022. The losses are primarily as a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and thier costs which are at different stages of progression. The management of HCL Infosystems Limited (Parent Company), is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 47), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited (Holding company) has approved support in the form of corporate guarantees to banks of ₹ 250 crores and interest free unsecured loans of ₹ 355 crores to the Parent Company out of total authorized limit of ₹ 1,500 crores. This had been approved by the shareholders of the Parent Company, vide their resolution dated September 14, 2017. Considering the above support, the Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

47 In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Group, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the year.

48 The Company initiated a scheme of amalgamation of Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning), wholly owned subsidiaries, with and into HCL Infosystems Limited (HCLI). The rationale for this is to consolidate businesses into a single entity, simplify the corporate structure and reducing administrative costs. The petition for sanctioning of the scheme was filed before the Hon'ble NCLT, New Delhi bench on 13th December 2021.

Pursuant to order of the Hon'ble NCLT, New Delhi dated January 18, 2022, notices were duly issued to statutory authorities inviting their objections to the scheme and reports have been obtained from the Official Liquidator and the Regional Director. Adequate responses to their observations have also been filed before the Hon'ble NCLT along with necessary compliances. The scheme is now pending before the Hon'ble NCLT until next hearing. The Company has also proposed to change the Appointed Date of the Scheme from April 01, 2020 to April 01, 2022 which would require an approval from the NCLT.

49 The Board of Directors of HCL Infosystems Limited in its meeting held on February 10, 2021 had approved to sell the entire shareholding held by HCL Infosystems Limited in HCL Infotech Limited at "Net Asset Value" as on closing date, after acquiring the undertaking which shall comprise of the business relating to two specific projects through a business transfer agreement, certain other assets and liabilities through assignment deed and HCL Investments Pte., Singapore & it's step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out as on September 30, 2020 is 147 Crs. The sale will be made to Novezo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the key customer of the company's defense project, which is forming part of the transaction has asked the company to novate the project to either HCL Infosystems Limited or a third party service provider acceptable to the customer, instead of transferring the said project as part of HCL Infotech Limited sale. The company is currently in discussion with the customer and some of the prospective third party service providers. This exercise has resulted in a significant delay in closing the transaction sale of HCL Infotech to Novezo. Currently In addition, some of the terms of the Share Purchase Agreement are being renegotiated with Novezo and there are several unresolved issues. The revised SPA which, if resolved, will require be subject to approval of the Board and the Shareholders of the Company.

50 Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion, the Group has credited in Statement of Profit and Loss with ₹ 16.96 Crores, for the year ended March 31,2022 (2021: ₹ 71.18 Crores), on account of write back of certain old payables and provisions.

51 The Group is facing delays in receipts from the customers, primarily in the power sector, due to which the Group has charged ₹ 14.70 Crores, in the Statement of Profit and Loss, for the year ended March 31,2022 (2021: ₹ 90.14 Crores) on account of provision for certain receivable balances.

52 HCL Infosystems Limited ('the Company') was appointed as the Managed Service Provider ("MSP") by Unique Identification Authority of India ('UIDAI') vide the contract dated 6 August 2012 to implement and manage the Central Identities Data Repository (CIDR). The said contract originally ended on 6 August 2019 and then was unilaterally extended by the UIDAI. The Company challenged this unilateral extension of the MSP contract by UIDAI before the Hon'ble Arbitral Tribunal. The Company and UIDAI entered into consent terms dated 5 May 2020 (which also formed part of the consent order dated 7 May 2020 passed by the Hon'ble Arbitral Tribunal) and the Company agreed to perform services for UIDAI subject to the terms and conditions of the consent terms. As per the consent terms executed between UIDAI and the Company, the Company has completed performance of services as per the terms of the MSP Contract, without prejudice to its rights and contentions in the arbitration proceedings, till 6 April 2021 (including knowledge transfer period of 3 months) and the annual maintenance contract and software licenses for the period till 6 August 2021. The Hon'ble Arbitral Tribunal on 19 June 2020 passed the liability award wherein it held that the extension of the MSP contract by UIDAI is not valid, and also stipulates that the Company is entitled to receive the consideration for its services during the period covered by the consent terms, i.e. from May 2020 to August 2021, at the current market value. Pending determination of the current market value through arbitration, revenue is measured by the Company at existing contract price for the period May 2020 to August 2021. The differential revenue on the basis of current market value will be recognized once the same has been determined by the Hon'ble Arbitral Tribunal in the future. Further, the costs have been recognized based on the revised rates agreed during negotiations in the last year with the vendors

53 Management of the Group believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these Financial Statements In evaluating the impact of COVID-19 on the Group's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

54 Additional information to consolidated accounts as at 31.03.2022 (Pursuant to Schedule III of the Companies Act 2013):

(₹ Crores)

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount
Parent company								
HCL Infosystems Limited	102.45	(220.41)	100.65	24.68	(55.56)	(0.25)	97.84	24.43
Subsidiaries: Indian								
Digilife Distribution and Marketing Services limited	0.59	(1.26)	(0.81)	(0.20)	0.00	0.00	(0.79)	(0.20)
HCL Learning Limited	22.47	(48.33)	(6.11)	(1.50)	0.00	0.00	(6.00)	(1.50)
HCL Infotech Limited	24.80	(53.36)	(113.41)	(27.81)	(35.56)	(0.16)	(112.01)	(27.97)
Pimpri Chinchwad eServices Limited	0.00	0.00	0.26	0.06	0.00	0.00	0.26	0.06
Subsidiaries: Foreign								
Nurture Technologies FZE (Formerly known as HCL Infosystems MEA FZE, Dubai)	14.30	(30.76)	(8.84)	(2.17)	(208.89)	(0.94)	(12.45)	(3.11)
HCL Investment Pte Limited, Singapore	(35.00)	75.29	0.32	0.08	400.00	1.80	7.52	1.88
Intra-Group Eliminations	(29.61)	63.70	127.93	31.37	0.00	0.00	125.63	31.37
Total	**100.00**	**(215.13)**	**100.00**	**24.52**	**100.00**	**0.45**	**100.00**	**24.97**

Additional information to consolidated accounts as at 31.03.2021 (Pursuant to Schedule III of the Companies Act 2013):

(₹ Crores)

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount
Parent company								
HCL Infosystems Limited	101.98	(244.83)	104.08	(204.76)	20.83	(0.25)	103.58	(205.01)
Subsidiaries: Indian								
Digilife Distribution and Marketing Services limited	0.44	(1.06)	0.30	(0.60)	0.00	0.00	0.30	(0.60)
HCL Learning Limited	19.51	(46.83)	0.32	(0.62)	0.00	0.00	0.31	(0.62)
HCL Infotech Limited	10.59	(25.42)	56.91	(111.96)	(3.33)	0.04	56.54	(111.92)
Pimpri Chinchwad eServices Limited	0.02	(0.06)	0.00	(0.00)	0.00	0.00	0.00	(0.00)
Subsidiaries: Foreign Nurture Technologies FZE (Formerly known as HCL Infosystems MEA FZE, Dubai)	11.53	(27.69)	1.27	(2.49)	78.33	(0.94)	1.73	(3.43)
HCL Investment Pte Limited, Singapore	(30.60)	73.46	0.43	(0.85)	4.17	(0.05)	0.45	(0.90)
Intra-Group Eliminations	(13.48)	32.36	(63.31)	124.55	0.00	0.00	(62.93)	124.55
Total	**100.00**	**(240.07)**	**100.00**	**(196.73)**	**100.00**	**(1.20)**	**100.00**	**(197.93)**

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of
HCL Infosystems Limited

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Kumar Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, May 28, 2022

Noida, May 28, 2022

Statement pursuant to first proviso to sub section (3) of Section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed FORM AOC-1 relating to Subsidiaries / Joint Venture

(Rs. Crores) except % of shareholding

S. No.	Name of the Subsidiary Company/Joint Venture	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share holding	Country
1	Digilife Distribution and Marketing Services limited	INR	1.00	56.05	(57.31)	4.62	5.87	-	0.55	(0.20)	-	(0.20)	-	100	India
2	HCL Learning Limited	INR	1.00	0.08	(48.41)	2.21	50.54	-	0.76	(1.50)	-	(1.50)			
3	HCL Infotech Limited	INR	1.00	0.22	(53.58)	178.97	232.34	18.04	72.56	(27.81)	-	(27.81)	-	100	India
4	Pimpri Chinchwad eServices Limited	INR	1.00	0.05	(0.05)	-	(0.00)	-	0.07	0.06	-	0.06	-	85	India
5	Nuture Technologies FZE (formerly known as HCL Infosystems MEA FZE), Dubai	AED	19.99	87.55	(118.30)	2.37	33.12	-	0.06	(0.95)	1.22	(2.17)	-	100	Dubai
6	HCL Investment Pte Limited, Singapore	SGD	55.02	8.41	(3.16)	6.17	0.92	0.00	0.16	(0.33)	-	(0.33)	-	100	Singapore

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HCL INFOSYSTEMS LIMITED

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CORRIGENDUM TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2021-2022

In continuation to notice of 36th Annual General Meeting ("AGM") of the Company dated 9th August 2022 and the newspaper advertisement dated 27th August, 2022, with respect to the said notice of AGM of the Company and Annual Report for Financial Year 2021-2022, we hereby inform you that certain figures mentioned under clause (vii) (b) of Annexure A of Statutory Auditor's Report for the standalone financial statement (starting from Page number 56 to 61 of the Annual Report) were earlier appearing in INR Lacs as against in INR Crores, the same are corrected by the auditor as under:

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise	0.49	0.02	2006-07 to 2008-09, 2010-11	Commissioner Appeals
Central Excise Act, 1944	Excise	0.21	0.02	2002-03, 2012-13	High Court-Chennai
Customs Act, 1962	Customs	0.02	-	2008-09	Commissioner (Appeals), Mumbai
Customs Tariff Act, 1975	Customs	40.47	5	2005-2009	CESTAT, Delhi
Finance Act, 1994	Service Tax	351.86	13.25	2006-2009, 2010-2015	CESTAT- Allahabad
Finance Act, 1994	Service Tax	70.94	5	2003-06, 2010-11 to 2013-14	High Court- Allahabad
Central Sales Tax,1956	CST	0.01	0.00	2006-07	Deputy Commissioner (Appeals) of Sales Tax Kochi
Central Sales Tax,1956	CST	0.01	0.01	2016-17	Add. Commissioner, GR 2 Appeal, Noida
Central Sales Tax,1956	CST	1.00	0.21	2007-08, 2008-09 2012-13, 2013-14	Additional Commissioner (Appeals) of Commercial Tax Noida
Central Sales Tax,1956	CST	0.07	0.00	2011-12	Additional Commissioner (Appeals) of Sales Tax Kolkata
Central Sales Tax,1956	CST	0.02	0.01	2009-10	Assessing Officer
Central Sales Tax,1956	CST	0.00	0.00	2004-05	Assessing Officer, Commercial Tax, Noida
Central Sales Tax,1956	CST	0.05	0.00	2015-16, 2016-17	Assistant VAT Officer, Delhi
Central Sales Tax,1956	CST	0.66	0.00	2006-07, 2008-09	Board of Sales Tax Kolkata
Central Sales Tax,1956	CST	0.06	0.00	2004-05	Commercial Tax Officer Chennai
Central Sales Tax,1956	CST	0.00	0.01	2013-14 2014-15	Commercial Tax Officer, Jaipur, Rajasthan
Central Sales Tax,1956	CST	0.00	0.00	2015-16	Commercial Tax Officer, Telangana
Central Sales Tax,1956	CST	0.07	0.00	2017-18	Department of Trade & Taxes, Delhi
Central Sales Tax,1956	CST	0.18	0.19	2013-14	Department of Trade & Taxes, Delhi

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Central Sales Tax,1956	CST	1.36	0.27	2012-13	Department of Trade & Taxes, Delhi
Central Sales Tax,1956	CST	0.11	0.32	2013-14 2015-16	Deputy Commissioner (Appeals) of Sales Tax Chennai
Central Sales Tax,1956	CST	5.08	0.50	2009-10, 2010-11 2011-12	Deputy Commissioner (Appeals) of Sales Tax Delhi
Central Sales Tax,1956	CST	0.05	0.01	2012-14	Deputy Commissioner Appeal (Bhubaneswar)
Central Sales Tax,1956	CST	0.72	0.22	2012-13 2013-14	Deputy Commissioner of Commercial Tax
Central Sales Tax,1956	CST	2.23	0.89	2010-11, 2011-12 2013-14	Deputy. Commissioner Commercial Tax Dehradun
Central Sales Tax,1956	CST	0.14	0.10	2013-14	Deputy Commissioner, Noida
Central Sales Tax,1956	CST	0.00	0.00	2015-16 2016-17	Deputy Commissioner, Commercial Tax, Kochi
Central Sales Tax,1956	CST	1.48	0.01	2010-11, 2011-12 2014-15, 2015-16	Excise and Taxation Officer, Haryana
Central Sales Tax,1956	CST	0.07	0.01	2015-16	Gujarat Value Added Tax Tribunal
Central Sales Tax,1956	CST	0.19	0.11	2011-12, 2013-14 2014-15	Joint Commissioner (Appeals)
Central Sales Tax,1956	CST	0.01	0.58	2006-07 2007-08	Joint Commissioner, Commercial Taxes
Central Sales Tax,1956	CST	0.28	0.00	2009-10	Joint Commissioner, Commercial Taxes, Noida
Central Sales Tax,1956	CST	0.02	0.25	2006-07	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Central Sales Tax,1956	CST	0.00	0.00	2013-14	Commercial Tax Officer
Central Sales Tax,1956	CST	0.00	0.00	2015-16	Sales Tax Officer Delhi
Central Sales Tax,1956	CST	0.45	0.35	2005-06	Sales Tax Tribunal, Mumbai
Central Sales Tax,1956	CST	0.10	0.00	2013-14	Special Commissioner (Appeals) of Sales Tax, Delhi
Central Sales Tax,1956	CST	0.05	0.03	2014-15	Additional Commissioner (Appeals) of Commercial Tax, Noida
Central Sales Tax,1956	CST	0.01	0.00	2015-16	Additional Commissioner (Appeals) of Commercial Tax, Noida
Central Sales Tax,1956	CST	0.17	0.05	2013-14	The Deputy Commissioner (Appeals), SGST Department, Kerala
Central Sales Tax,1956	CST	0.02	0.00	2013-14	The Deputy Commissioner of Sales Tax (Appeals), Guwahati, Assam
Central Sales Tax,1956	CST	0.33	0.11	2011-12	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Central Sales Tax,1956	CST	0.57	0.28	2010-11	The Commercial Tax Tribunal, Noida, Uttar Pradesh

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Central Sales Tax,1956	CST	0.53	0.20	2002-03, 2003-04 2005-06	The Commercial Tax Tribunal, Noida, Uttar Pradesh.
Central Sales Tax,1956	CST	0.26	0.12	2005-06, 2007-08	Tribunal of Sales Tax, Delhi
Central Sales Tax,1956	CST	0.06	0.03	2001-02, 2003-04	Tribunal of Sales Tax, Kochi
Central Sales Tax,1956	CST	0.05	0.00	2016-17	Additional Commissioner (Appeals) of Commercial Tax, Noida
Entry Tax Act	Entry Tax	0.09	0.03	2008-09 2009-10	Additional Commissioner (Appeals) of Commercial Tax Noida
Entry Tax Act	Entry Tax	0.18	0.05	2008-11	Assessing Office, Bhubaneswar
Entry Tax Act	Entry Tax	0.46	0.08	2012-13	Commissioner of Sales Tax (Bhubaneswar)
Entry Tax Act	Entry Tax	0.01	0.00	2014-15	Commercial Tax Officer, Raipur
Entry Tax Act	Entry Tax	0.02	0.00	2014-15	Deputy Commissioner Appeal (Bhubaneswar)
Entry Tax Act	Entry Tax	0.12	0.01	2012-14	Hon’ble High Court of Orrisa
Entry Tax Act	Entry Tax	0.05	0.00	2013-14	Hon’ble Sales Tax Tribunal
Entry Tax Act	Entry Tax	0.24	0.16	2011-12, 2012-13 2013-14	Joint Commissioner Appeal
Entry Tax Act	Entry Tax	0.04	0.06	2010-11	Rajasthan Tax Board, Ajmer
Entry Tax Act	Entry Tax	0.04	0.04	2011-12, 2014-15	Rajasthan Tax Board, Ajmer
Goods & Service Tax, 2017	SGST	0.12	0.01	2017-18	Assistant Commissioner, Sales Tax
Goods & Service Tax, 2017	SGST	0.02	0.00	2017-18	Deputy Commissioner Ranchi
Sales Tax/value Added Tax under Various States	Sales Tax	0.31	0.09	2006-07	Deputy Commissioner (Appeals) of Sales Tax Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2016-17	Assessing Authority of Sales Tax, Solan
Sales Tax/value Added Tax under Various States	Sales Tax	0.20	0.10	2016-17	Add. Commissioner (Appeals), Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2006-07	Additional Commissioner, Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	3.96	1.03	2007-08, 2008-09 2012-13, 2013-14	Additional Commissioner (Appeals) of Commercial Tax Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.41	0.17	2014-15	Additional Commissioner-WB
Sales Tax/value Added Tax under Various States	Sales Tax	0.11	1.23	2012-13	Additional Commissioner (Appeals) of Commercial Tax Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.00	2011-12	Additional Commissioner (Appeals) of Sales Tax Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2016-17	Assessing Officer.
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.02	2012-13	Assistant Commissioner of Sales Tax Shimla

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.00	2014-15	Assistant Commissioner of Sales Tax, Gujarat
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.06	2012-13, 2013-14, 2016-17	Assistant Commissioner of Sales Tax, Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	6.66	0.18	2005-06, 2008-09 2009-10	Board of Sales Tax Kolkata
Sales Tax/value Added Tax under Various States	Sales Tax	0.16	0.05	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2013-14	Commercial Tax Officer
Sales Tax/value Added Tax under Various States	Sales Tax	0.42	0.24	2004-05, 2009-10 2011-12	Commercial Tax Officer Chennai
Sales Tax/value Added Tax under Various States	Sales Tax	0.20	0.20	2009-10, 2011-12, 2012-13	Commercial Tax Officer, Anti Evasion, Jaipur, Rajasthan
Sales Tax/value Added Tax under Various States	Sales Tax	1.26	0.09	2013-14 2015-16	Commercial Tax Officer, Jaipur, Rajasthan
Sales Tax/value Added Tax under Various States	Sales Tax	0.37	2.49	2014-15	Commissioner Appeals.
Sales Tax/value Added Tax under Various States	Sales Tax	4.76	0.00	2017-18	DC, Sector -8 Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.75	0.44	2008-09	Deputy Commissioners (Appeals), Bangalore
Sales Tax/value Added Tax under Various States	Sales Tax	5.99	0.51	2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	Deputy Commissioner (Appeals) of Sales Tax Delhi
Sales Tax/value Added Tax under Various States	Sales Tax	1.54	0.05	2012-14 Apr14-Sep15	Deputy Commissioner Appeal (Bhubaneswar)
Sales Tax/value Added Tax under Various States	Sales Tax	1.75	0.02	2007-08 2008-09	Deputy Commissioner Appeals Jammu
Sales Tax/value Added Tax under Various States	Sales Tax	0.73	0.22	2012-13 2013-14	Deputy Commissioner of Commercial Tax
Sales Tax/value Added Tax under Various States	Sales Tax	0.25	0.00	2013-14	Deputy Commissioner Ranchi
Sales Tax/value Added Tax under Various States	Sales Tax	7.39	0.55	2010-11	Deputy Excise and Taxation Commissioner, Chandigarh
Sales Tax/value Added Tax under Various States	Sales Tax	6.31	0.00	2016-17	Deputy Commissioner of Sales Tax, Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	2.62	0.18	2015-16	Deputy Commissioner of Sales Tax
Sales Tax/value Added Tax under Various States	Sales Tax	3.85	0.24	2016-17 2017-18	Deputy Commissioner of Sales Tax, Mumbai.
Sales Tax/value Added Tax under Various States	Sales Tax	0.07	0.00	2004-05	Deputy Commissioner of Sales Tax, Hyderabad
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.01	2013-14	Deputy Commissioner, Commercial Tax, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.04	0.01	2015-16	Deputy Commissioner, Commercial Tax, Dehradun
Sales Tax/value Added Tax under Various States	Sales Tax	0.94	0.00	2007-08	Deputy Commissioner of Taxes (Appeal -1), Jammu

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2015-16	Deputy Commissioner, Commercial Tax, Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	1.02	0.00	2014-15	Excise and Taxation Officer, Haryana
Sales Tax/value Added Tax under Various States	Sales Tax	1.22	0.31	2012-13 2013-14	Excise and Taxation Officer, Mohali
Sales Tax/value Added Tax under Various States	Sales Tax	1.28	0.00	2014-15	First Appellate Authority, Rajasthan
Sales Tax/value Added Tax under Various States	Sales Tax	1.56	0.38	2014-15 2015-16	Gujarat Value Added Tax Tribunal
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.07	2006-07	High Court Allahabad
Sales Tax/value Added Tax under Various States	Sales Tax	0.09	0.09	2008-09	High Court Jaipur
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2005-06 2007-08	Hon'ble High court Allahabad
Sales Tax/value Added Tax under Various States	Sales Tax	0.04	0.00	2009-10	Hon'ble Sales Tax Tribunal
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.00	2015-16	Intelligence Officer, Deptt of Com.Tax, Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	0.04	0.00	2004-05	Joint Commissioner (Appeals) of Sales Tax Delhi
Sales Tax/value Added Tax under Various States	Sales Tax	5.84	0.75	2008-09, 2011-12 2012-13, 2013-14	Joint Commissioner (Appeals)
Sales Tax/value Added Tax under Various States	Sales Tax	0.14	0.03	2008-09 2013-14	Joint Commissioner (Appeals)
Sales Tax/value Added Tax under Various States	Sales Tax	1.40	1.44	2014-15	Joint Commissioner Appeal Sales Tax
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.71	2007-08 2015-16	Joint Commissioner, Commercial Taxes
Sales Tax/value Added Tax under Various States	Sales Tax	0.09	0.00	2009-10	Joint Commissioner, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	5.70	0.29	2016-17	Joint Commissioner of Sales Tax, Mumbai
Sales Tax/value Added Tax under Various States	Sales Tax	4.08	0.00	2015-16	Mumbai High Court.
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.01	2005-06	Deputy Commissioner, Jammu
Sales Tax/value Added Tax under Various States	Sales Tax	2.85	0.13	2010-11 2011-12	Additional Commissioner (Appeals) of Commercial Tax, Patna
Sales Tax/value Added Tax under Various States	Sales Tax	0.02	0.00	2009-10	Office of the Deputy Commissioner (Appeals),
Sales Tax/value Added Tax under Various States	Sales Tax	15.63	53.64	2009-10, 2011-12 2012-13	Rajasthan Tax Board, Jaipur
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.01	2013-14	Special Commissioner (Appeals) of Sales Tax, Delhi
Sales Tax/value Added Tax under Various States	Sales Tax	0.00	0.01	2015-16	Senior Joint Commissioner of Revenue, Kolkata

Name of Statute	Nature of dues	Amount of demand (₹ in crores)	Amount of deposit (₹ in crores)	Period to which it relates	Forum where the dispute is pending
Sales Tax/value Added Tax under Various States	Sales Tax	2.01	2.01	2009-10, 2010-11 2011-12	Rajasthan Tax Board, Jaipur
Sales Tax/value Added Tax under Various States	Sales Tax	0.17	0.09	2015-16	Additional Commissioner (Appeals) of Commercial Tax, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.34	0.16	2013-14, 2014-15	The Commercial Tax Tribunal, Noida, Uttar Pradesh
Sales Tax/value Added Tax under Various States	Sales Tax	2.26	0.89	2014-15 2015-16	The Deputy Commissioner Appeals, SGST Department, Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.00	2009-10	The Intelligence Office - Kerala
Sales Tax/value Added Tax under Various States	Sales Tax	5.95	0.28	2014-15	The Joint Commissioner of Sales Tax (Appeals), Mumbai.
Sales Tax/value Added Tax under Various States	Sales Tax	0.86	0.32	2010-11	Tribunal Commercial Tax, Noida
Sales Tax/value Added Tax under Various States	Sales Tax	0.01	0.04	2006-07	Tribunal Commercial Tax, Noida.
Sales Tax/value Added Tax under Various States	Sales Tax	0.66	0.41	2001-02, 2002-03, 2003-04, 2004-05	Tribunals of Sales Tax Kochi
Sales Tax/value Added Tax under Various States	Sales Tax	0.12	0.03	2007-08	Punjab VAT Tribunal, Chandigarh
Sales Tax/value Added Tax under Various States	Sales Tax	0.05	0.00	2016-17	Assistant VAT Officer, Delhi
Income tax Act, 1961	Income tax	10.75	-	2005-2006, 2006-07, 2011-12 and 2017-18	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	19.95	-	2006-07 and 2013-14	Income tax Appellate tribunal

Shareholders are requested to note that in order to rectify the same, the statutory auditors of the Company have issued a revised Audit Report dated 14th September 2022. In the revised Statutory Audit Report apart from the aforesaid correction, there is no change. Further owing to the said revision there is no change in the Financial Statements of the Company for the financial year 2021-2022.

The said Corrigendum to the Annual Report for Financial Year 2021-2022 is being submitted with the stock exchanges and to be sent to the shareholders of the Company through email and to all other persons who are entitled to receive the notice in accordance with section 101 of the Companies Act, 2013 read with circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. Further, the copy of the updated Annual Report for Financial Year 2021-2022 is uploaded on the website of the Company at www.hclinfosystems.in.

This Corrigendum forms an integral part of the Annual Report and the Statutory Auditor's Report. The Annual Report and the Statutory Auditor's Report shall be read together with this Corrigendum. Wherever the reference of Statutory Auditor's Report for the financial year 2021-2022 is being given the same shall mean the revised Statutory Audit Report dated 14th September 2022.

For HCL Infosystems Limited

Komal Bathla
Company Secretary & Compliance Officer
ICSI Membership No. ACS 41455

Place: Noida
Date: 14th September 2022

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