HCL INFOSYSTEMS LTD.
Corporate Office: A-11, Sector 3, NOIDA 201 301, U.P., India
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

27th October, 2021

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: Notice for Tribunal convened meeting of Unsecured Creditors of HCL Infosystems Limited scheduled to be held on Tuesday, November 30, 2021 at 02:30 PM

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Dear Sirs,

Pursuant to the order dated September 17, 2021 read with rectification order dated September 24, 2021 and order dated October 7, 2021 passed by the National Company Law Tribunal, New Delhi Bench) (Court-V) ("**NCLT**" or "**Tribunal**"), 2015, we submit herewith the notice for Tribunal convened meeting of Unsecured Creditors of HCL Infosystems Limited scheduled to be held on Tuesday, November 30, 2021 at 02:30 PM through Video Conferencing (VC).

The Notice including the e-voting instructions is also available on the website of the Company and can be accessed at https://www.hclinfosystems.in/wp-content/uploads/2021/10/HCL-Infosystems-Limited-Unsecured-Creditors-Notice-and-Evoting-instructions.pdf .

This is for your information and records.

Yours Faithfully,

For HCL Infosystems Limited

KOMAL BATHLA Digitally signed by KOMAL BATHLA Date: 2021.10.27 14:28:43 +05'30'

Komal Bathla
Company Secretary & Compliance Officer

Encl: As Above

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF HCL INFOSYSTEMS LIMITED SCHEDULED TO BE HELD THROUGH VIDEO CONFERENCING AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, COURT – V, NEW DELHI BENCH

[pursuant to order dated September 17, 2021 read with rectification order dated September 24, 2021 and order dated October 7, 2021 passed by the National Company Law Tribunal, New Delhi Bench) (Court - V) ("**NCLT**" or "**Tribunal**")]

DETAILS OF THE MEETING:

Day	Tuesday
Date	November 30, 2021
Time	02:30 P.M.
Mode*	Meeting to be held through video conferencing

** Please note that there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of COVID-19 pandemic.*

Since the meeting is being held through video conferencing, physical attendance of unsecured creditors have been dispensed with. Accordingly, the facility for appointment of proxies by the unsecured creditors will not be available for the meeting and hence proxy form and attendance slip have not been annexed along with the notice of the meeting

Dated this October 18, 2021

Sd/-

Mr. Pushpendra Surana, CA

(Chairperson appointed for the meeting)

Place - New Delhi

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

NEW DELHI BENCH

COMPANY APPLICATION NO. CA(CAA)-90/230/232/ND OF 2020

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the Matter of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016

And

In the matter of Scheme of Amalgamation between

Digilife Distribution and Marketing Services Limited

Company registered under the Companies Act, 1956

Having its registered office at:

806, Siddharth 96, Nehru Place,

New Delhi – 110019

CIN: U72900DL2008PLC175605 (Transferor Company 1/ Applicant Company 1)

And

HCL Learning Limited

Company registered under the Companies Act, 1956

Having its registered office at:

806, Siddharth 96, Nehru Place,

New Delhi – 110019

CIN: U80900DL2012PLC242907 (Transferor Company 2/ Applicant Company 2)

And

HCL Infosystems Limited

Company registered under the Companies Act, 1956

Having its registered office at:

806, Siddharth 96, Nehru Place,

New Delhi – 110019

CIN: L72200DL1986PLC023955 (Transferee Company/ Applicant Company 3)

And

Their Respective Shareholders and Creditors

NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF HCL INFOSYSTEMS LIMITED

Notice is hereby given that by an order dated September 17, 2021 (date of pronouncement) read with rectification order dated September 24, 2021 and order dated October 7, 2021, New Delhi Bench of the National Company Law Tribunal in Company Application No. CA (CAA) No. 90/230/232/ND/2020 ("Order") has directed a meeting to be held of the Unsecured Creditors of HCL Infosystems Limited for considering, and if thought fit, approving with or without modifications, following resolution for the amalgamation proposed to be made between Digilife Distribution and Marketing Services Limited and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors through video conferencing ("VC") along with a facility for e-voting (during the meeting) in compliance with the provisions of Section 108 and other applicable provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and other applicable laws and regulations (including any statutory modification or re-enactment thereof for the time being in force.

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the unsecured creditors of HCL Infosystems Limited will be held on Tuesday, November 30, 2021 at 02:30 P.M. ("Meeting") through VC, following the operating procedures (with requisite modifications as may be required) referred to in Circular No.14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020, Circular No. 22/2020 dated 15 June 2020, Circular No. 33/2020 dated 28 September 2020, Circular No. 39/2020 dated 31 December 2020 and Circular No. 10/2021 dated 23 June 2021 issued by the Ministry of Corporate Affairs, Government of India. Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19 pandemic. At such day, date and time, the said unsecured creditors of HCL Infosystems Limited are requested to attend the Meeting through VC.

Persons entitled to attend and vote may vote through e-voting facility made available during the Meeting through VC. The facility of appointment of proxies by unsecured creditors will not be available for such Meeting. However, a body corporate which is an unsecured creditor is entitled to appoint a representative for the purposes of participating and / or voting during the Meeting.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Act and the provisions of the Memorandum of Association and the Articles of Association of HCL Infosystems Limited, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, including rules provided therein, the applicable provisions of Securities and Exchange Board of India Act, 1992 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Obligations"), including any statutory modification or re-enactments thereof for the time being in force, and subject to the relevant provisions of the Memorandum & Articles of Association of the

Company and subject to the sanction by the National Company Law Tribunal, New Delhi ("NCLT"), as the case may be and in accordance with the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other relevant authority from time to time to the extent applicable and subject to such approvals, consents, permissions and sanctions of the appropriate authorities as may be necessary/required and subject to such conditions as may be prescribed, directed or made by any of them while granting such approvals, consents and permissions, the arrangement embodied in the proposed Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited and HCL Learning Limited with and into HCL Infosystems Limited and their respective shareholders and creditors ("Scheme") be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution), be and is hereby jointly/ severally authorized to effectively implement the amalgamation embodied in the Scheme, make or accept such modification(s) amendment(s), limitation(s) and/ or condition(s), if any, to the Scheme as may be required by the Hon'ble Tribunal and/ or any other authority while sanctioning the Scheme or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme or for any other such reason, as the Board may deem fit and proper, to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as the Board may in its absolute discretion deems necessary or expedient for giving effect to the Scheme.

RESOLVED FURTHER THAT the Board, be and are hereby jointly/ severally authorized to sign, verify, execute and file any documents or authorize any person or committee constituted for this purpose to sign, verify, execute and file any documents, including but not limited to affidavits, petitions, pleadings, applications, certificates, declarations, undertakings, vakalatnamas, proceedings, or any other documents incidental or necessary for making effective the aforesaid Scheme.

TAKE FURTHER NOTICE THAT considering the COVID -19 situation, the Tribunal has dispensed the Transferee Company from holding physical meeting of Unsecured Creditors and ordered that voting of the unsecured creditors shall be conducted through e voting during the meeting being convened.

TAKE FURTHER NOTICE THAT in compliance with the provisions of (i) Section 230(4) read with Sections 108 of the Companies Act, 2013; (ii) Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility of voting through e-voting (during the meeting being convened through VC) so as to enable the unsecured creditors, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by unsecured creditors of the Company to the Scheme shall be carried out through e-voting.

TAKE FURTHER NOTICE THAT the Tribunal has appointed Mr. Pushpendra Surana, CA as the Chairperson, failing him, Mr. Suman Kumar Verma, CA as the Alternate Chairperson for the meeting of unsecured creditors. The Tribunal has also appointed Mr. Ramkripal Sharma, CS as the Scrutinizer for the meeting, including for any adjournment(s) thereof.

The abovementioned Scheme, if approved at the voting, will be subject to the subsequent approval of the Tribunal.

This Notice and Explanatory Statement, the scheme along with the requisite documents is placed on the website of the Company viz. https://www.hclinfosystems.in/investors/.

Copies of the said Scheme of Amalgamation and Explanatory Statement under Sections 230 – 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any and other relevant documents can be obtained free of charge on any working day (except Saturday, Sunday and public holidays), from the date of this notice till the date of the meeting during the business hours at the Registered Office of the Company. Also, any unsecured creditor desirous of obtaining aforesaid details may send an email at cosec@hcl.com and the copy of scheme along with other details as requested shall be mailed to the concerned unsecured creditor.

Dated this October 18, 2021
Sd/-
Mr. Pushpendra Surana
(Chairperson appointed for the meeting)
Place - New Delhi

Notes:

1. The notice in relation to the Tribunal convened meeting, together with documents accompanying the same (collectively, the "Notice") is being sent to all the unsecured creditors, with outstanding balances of INR 1,00,000 or more as on March 31, 2021 ("Cut-off date").
2. The Explanatory Statement under Sections 230 – 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any setting out all material facts and reason for the proposed resolution is annexed hereto and forms part of the Notice.
3. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and in terms of the order dated September 17, 2021 (date of pronouncement) read with rectification order dated September 24, 2021 and order dated October 7, 2021 of the Hon'ble National Company Law Tribunal at New Delhi ("Order"), HCL Infosystems Limited is convening the Meeting through Video Conferencing ("VC"), and there shall be no meeting requiring physical attendance of the unsecured creditors at a common venue. The proceedings of the Meeting shall however be deemed to be conducted at the registered office of HCL Infosystems Limited which shall be the deemed venue of the Meeting.
4. National Securities Depository Limited (NSDL) is appointed to provide the facility for convening the meeting through VC; to handle and supervise the entire process of holding the meeting through VC and e-voting during the meeting in a secured manner.
5. As the meeting shall be conducted through VC, the facility for appointment of Proxy by the Unsecured Creditors is not available for this meeting and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
6. Attendance of the Unsecured Creditors participating in the meeting through VC Facility shall be counted for the purpose of reckoning the quorum.
7. Pursuant to the order of NCLT read with Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company offers e-voting facility during the meeting to the unsecured creditors to enable them to vote electronically.
8. Creditors who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending a request from their registered email id mentioning their name, address and PAN at cosec@hcl.com on or before Tuesday 23rd November, 2021. Those Unsecured Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

   The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the meeting.
9. Only Unsecured Creditors of the Company may attend the meeting of Unsecured Creditors through VC and vote through E-voting system

10. The voting rights of eligible Unsecured Creditors shall be in proportion to the principal amount due to them as on 31st March, 2021.

11. In terms of the MCA Circulars since the physical attendance of unsecured creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by unsecured creditors under Section 105 of the Act will not be available. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the institutional/ corporate unsecured creditors may be appointed for the purpose of voting through e-Voting, for participation in the meeting through VC Facility.

12. Institutional/ Corporate Unsecured Creditors (i.e. other than individuals/HUF, NRI, etc) of HCL Infosystems Limited are entitled to appoint an authorized representative for the purpose of participating and / or voting during the Meeting held through VC. Further, such Institutional/ Corporate Unsecured Creditors (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified copy (.pdf file) of the relevant resolution/ authority letter / power of attorney together with attested specimen signature of the duly authorized representatives who are authorized to vote, to the Scrutinizer at iprksharma@gmail.com from their registered email address with a copy marked to evoting@nsdl.co.on , no later than 48 hours before the scheduled time of the Meeting.

13. The authorized representative of the unsecured creditor (in case such unsecured creditor is a corporate member) should additionally e-mail copy of their valid and legible identity proof (.pdf file) issued by a statutory authority (i.e. Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card) to the Scrutinizer at iprksharma@gmail.com from their registered email address with a copy marked to evoting@nsdl.co.in, no later than 48 hours before the scheduled time of the Meeting.

14. The Unsecured creditors may join the meeting through VC 15 minutes before the scheduled time by following the procedure as mentioned below and the window for joining the VC Facility will remain open till the closure of the meeting.

15. In terms of the directions contained in the Order, "the quorum of the meeting shall be as per the number provided under Section 103 (i.e., Fifteen (15) Unsecured Creditors of HCL Infosystems Limited). Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by half an hour (i.e., 30 minutes) and thereafter, the persons present shall be deemed to constitute the quorum, however, the requirement of Section 230(6) of the Act shall be complied with regard to the agreement to the scheme by majority of persons representing 75% in value.

16. The physical copies of this Notice are being sent to unsecured creditors by speed post, as directed by the Tribunal. The Notice is also being displayed on the website of the Company, Stock Exchanges where the securities of the Company are listed and depositories.

17. There will be one e-voting for every unsecured creditor as on March 31, 2021.

18. Details of persons to be contacted for issues relating to e-voting :

Ms. Soni Singh, Assistant Manager, Email id – evoting@nsdl.co.in, contact Number – 1800 102 0990; 1800 22 4430.

19. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the Registered Office from the date of this notice up to November 30, 2021 between 10:00 A.M to 5:00 P.M on all working days (except Saturdays, Sundays and public holidays) and shall also be available on the website of the Company i.e. https://www.hclinfosystems.in/investors/.

20. Once the vote on a resolution is casted by the unsecured creditors, they shall not be allowed to change it subsequently.

21. NCLT has appointed Mr. Ramkripal Sharma, CS as a Scrutinizer for the said NCLT convened meeting of the unsecured creditors for the purposes of conducting the meetings and e voting process in a fair and transparent manner.

22. The Scrutinizer's decision on the validity of e-voting (during the meeting) will be final. The Scrutinizer appointed for Voting Process (i.e. e-voting [(during the meeting)]), will submit his report to the NCLT appointed Chairman of the meeting or a person authorized by him upon completion of scrutiny, in a fair and transparent manner, of voting not later than forty eight hours from the conclusion of the voting. The Chairman or a person authorized by him shall announce the results of e-voting and the results shall be placed on the website of Company and at the Registered Office of the Company. The Resolution, if approved by the requisite majority, shall be deemed to have been passed on 30th day of November , 2021, through e-voting during the meeting by VC.

23. The Results will be posted on the website of the Company at https://www.hclinfosystems.in/investors/ and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the stock exchanges and depositories.

24. In case of any query / concern / grievance, the unsecured creditors may write to the Company Secretary at cosec@hcl.com

25. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement, amongst others, will be published through advertisement in Delhi editions of "Business Standard" both English and Hindi edition.

26. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing 75% in value of the unsecured creditors of the Company as on cut-off date i.e., 31st March, 2021, voting through e-voting during the meeting, agree to the scheme.

27. The unsecure d creditors are requested to refer the instructions provided under "Instructions for joining the meeting to be held through VC and for e-voting during the meeting through electronic means" provided as a separate leaf along with this notice.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH
COMPANY APPLICATION NO. CA(CAA)-90/230/232/ 2020

In the Matter of the Companies Act, 2013 (18 of 2013)

And

In the Matter of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016

And

In the matter of Scheme of Amalgamation between

Digilife Distribution and Marketing Services Limited
Company registered under the Companies Act, 1956
Having its registered office at:
806, Siddharth 96, Nehru Place,
New Delhi – 110019
CIN: U72900DL2008PLC175605 (Transferor Company 1/ Applicant Company 1)

And

HCL Learning Limited
Company registered under the Companies Act, 1956
Having its registered office at:
806, Siddharth 96, Nehru Place,
New Delhi – 110019
CIN: U80900DL2012PLC242907 (Transferor Company 2/ Applicant Company 2)

And

HCL Infosystems Limited
Company registered under the Companies Act, 1956
Having its registered office at:
806, Siddharth 96, Nehru Place,
New Delhi – 110019
CIN: L72200DL1986PLC023955 (Transferee Company/ Applicant Company 3)

And

Their Respective Shareholders and Creditors

Explanatory Statement under Sections 230 – 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any.

1. Pursuant to Order dated September 17, 2021 (date of pronouncement) read with rectification order dated September 24, 2021 and order dated October 7, 2021 passed by the Hon'ble National Company Law Tribunal at New Delhi Bench, in Company Application No. CA(CAA)-90/230/232/ 2020 filed jointly by Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited, separate meetings of Unsecured Creditors and Equity Shareholders of HCL Infosystems Limited are being conducted through video conferencing ("VC") on Tuesday, November 30, 2021 at 02:30

P.M. and 3:30 P.M. respectively for the purpose of considering and if thought fit, approving, with or without modification(s), the amalgamation embodied in the proposed Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**" or "**Scheme of Amalgamation**").

2. This statement is being furnished as required under Sections 230 – 232 of the Companies Act, 2013 (the "Act"), read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any.

3. The Scheme envisages the amalgamation between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

4. A copy of the Scheme, which has been approved by the Board of Directors of the Transferor Companies and Transferee Company at their Meeting, held on August 05, 2020 and August 06, 2020, respectively, is attached as **Annexure - I**.

5. Copies of order passed by the Hon'ble National Company Law Tribunal at New Delhi Bench, in Company Application No. CA(CAA)-90/230/232/ 2020 dated September 17, 2021 (date of pronouncement) read with rectification order dated September 24, 2021 and order dated October 7, 2021 is attached as **Annexure – II.**

6. Particulars of the companies

6.1. Digilife Distribution and Marketing Services Limited ("Transferor Company 1")

(a) The Transferor Company 1, a wholly owned subsidiary of HCL Infosystems Limited, was incorporated on March 19, 2008 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Transferor Company 1 is U72900DL2008PLC175605.

(b) The Registered Office of the Transferor Company 1 is situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having permanent account number ('PAN') as AACCH0076J. Email id of its authorized representative is gunjan.khanna@hcl.com .

(c) Transferor Company 1 is an unlisted public limited company.

(d) Transferor Company 1 is primarily engaged in the business of value-added distribution of technology, mobility and consumer electronic products.

(e) The main objects of the Transferor Company 1 are set out in Clause III (A) of its Memorandum of Association. A few of the main objects as stated in the Memorandum of Association of Transferor Company 1 are as under :

- *To carry on in India or anywhere in the world all kinds of businesses of manufacturers, assemblers, designers, buyers, sellers, importers, exporters, repairers, processors, dealers, retailers, traders, distributors, product engineers or otherwise dealing in all types, varieties and kind of products and provide services for specialty solutions including, but not limited to, safety, security and surveillance devices, enterprise lighting products, equipments, products, systems, services, applications and projects.*

- *To carry in India or anywhere in the world the business of providing and supplying end-to-end technology solutions including, but not limited to, various security and surveillance devices, equipments, products, systems and system integration.*
- *To carry on in India or anywhere in the world the business of remote infrastructure management in the field of security and surveillance.*
- *To carry on In India or anywhere in the world the business of consulting, certification, training and other advisory services in the field of security and surveillance.*

(f) The Share Capital of Transferor Company 1 as per the audited balance sheet on March 31, 2021 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
60,000,000 Equity Shares of Rs.10/- each	600,000,000
Total	**600,000,000**
Issued, Subscribed and Paid-up Share Capital	
56,050,000 Equity Shares of Rs.10/- each	560,500,000
Total	**560,500,000**

Subsequent to March 31, 2021 and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 1, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 1.

(g) Post sanction of the proposed Scheme, the Transferor Company 1 shall stand dissolved and its shares shall get extinguished.

(h) Details of change of name of Transferor Company -1 during the last five years: There has been no change in the name of Transferor Company -1 during the last five years.

(i) Details of change in registered office of Transferor Company -1 during the last five years: There has been no change in Transferor Company -1's registered office during the last five years.

(j) Details of change in objects of Transferor Company -1 during the last five years: There has been no change in Transferor Company -1's objects during the last five years.

(k) Details of present Board of the Director of Transferor Company -1 along with their addresses:

S. No.	Name of the Director	Designation	Address
1	Dr. Nikhil Sinha	Independent and Non-Executive Director	2416, Pine ST San Francisco CA, USA 94115
2	Mr. Pawan Kumar Danwar	Non-Independent and Non-Executive Director	A-17, Dhruva Appartments Plot No. 43 Sector 13 Rohini New Delhi 110085

S. No.	Name of the Director	Designation	Address
3	Mr. Dilip Kumar Srivastava	Managing Director	241, Deerwood Chase, Nirvana Country, Sector 50, Islampur (97), Gurgaon, South City-II, Gurgaon, Haryana – 122018
4	Ms. Rita Gupta	Non-Independent and Non-Executive Director	B-101, Sector – 14, Noida, Gautam Buddha Nagar, Uttar Pradesh – 201301.
5	Mr. Sundararajan Mahalingam	Non-Independent and Non-Executive Director	P 403, Omaxe Twin Tower, F-21 Near Mahagun Maple, Sector 50, Gautam Buddha Nagar Noida Uttar Pradesh 201301

(l) Details of promoters of the Transferor Company-1: Transferor Company-1 is the wholly owned subsidiary of HCL Infosystems Limited (Transferee Company), having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

(m) The amount due to Unsecured Creditors of the Transferor Company-1 as on March 31, 2021 is INR 48,047,734/-.

(n) Disclosure about the effect of the Scheme on the following persons in relation to Transferor Company-1

S. no	Category of Stakeholder	Effect of the scheme on Stakeholder
1.	Promoter and Non-Promoter shareholders	• Digilife Distribution and Marketing Services Limited is a wholly owned subsidiary of HCL Infosystems Limited. • Accordingly, upon the Scheme being sanctioned by the Hon’ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited in HCL Infosystems Limited, all the equity shares held by HCL Infosystems Limited and its nominees in the Digilife Distribution and Marketing Services Limited shall stand cancelled and extinguished as on Appointed Date. There will be no issue and allotment of equity shares of HCL Infosystems Limited upon the Scheme being effective. • Therefore, there would not be any dilution of shareholding of HCL Infosystems Limited and the interest of shareholders (Promoters as well as Non-Promoters) of the company remains unaffected.

S. no	Category of Stakeholder	Effect of the scheme on Stakeholder
2.	Creditors	• The companies do not have any secured creditors. • Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited in HCL Infosystems Limited the unsecured creditors of Digilife Distribution and Marketing Services Limited will become unsecured creditors of HCL Infosystems Limited. • Accordingly, the Scheme will not have any adverse effect on the unsecured creditors of Digilife Distribution and Marketing Services Limited.
3	Key Managerial Personnel	• The proposed Scheme would not impact key managerial personnel since the Scheme is between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their shareholders and creditors, except to the extent of their shareholdings. As discussed above, there is no effect of the proposed Scheme on shareholders of these companies since no shares are proposed to be issued pursuant to the Scheme.
4	Depositors/ Deposit Trustee	• No effect. There are no depositors/Deposit Trustee
5	Debenture Holders/ Debenture Trustee	• No effect. There is no Debenture Holders/ Debenture Trustee
6	Employees	• No effect on the employees. On approval of the Scheme of Merger, and with effect from the Appointed Date all employees of the Transferor Company 1 shall be deemed to have become the employees of Transferee Company pursuant to Clause 13 of the Scheme of Amalgamation
7	Directors	• On the approval of the Scheme, Transferor Company 1 will merge into Transferee Company and Directors of Transferor Company 1 will cease to hold their respective positions.

(o) In compliance with the provisions of section 232(2)(c) of the Act, the Board of Transferor Company-1, has adopted a report, inter- alia, explaining the effect of the Scheme on their stakeholders. A copy of the report adopted by the Board of Transferor Company-1 is enclosed as **Annexure-IV**.

(p) The audited financials for the financial year ended 31 March 2021 and the unaudited financials (provisional) for the period ended June 30, 2021 of Transferor Company-1 are enclosed as **Annexure-VII** and **Annexure-VIII** respectively.

(q) No investigation proceedings are pending in relation to Transferor Company-1 under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.

6.2 HCL Learning Limited ("Transferor Company 2")

(a) The Transferor Company 2, a wholly owned subsidiary of HCL Infosystems Limited, was incorporated on September 28, 2012 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Transferor Company 2 is U80900DL2012PLC242907.

(b) The Registered Office of the Transferor Company 2 is situated at 806, Siddharth 96, Nehru Place, New Delhi - 110019 and having PAN as AADCH0304E. Email id of its authorized representative is komal.bathla@hcl.com

(c) Transferor Company 2 is an unlisted public limited company.

(d) Transferor Company 2 is primarily engaged in selling of digitised educational content & learning solutions.

(e) The main objects of the Transferor Company 2 are set out in Clause III (A) of its Memorandum of Association. A few of the main objects as stated in the Memorandum of Association of Transferor Company 2 are as under:

- *To carry on in India or anywhere in the world all or any of the business or businesses to own, run, manage, administer or otherwise acquire schools, colleges, education institutions or training centers fur imparting training in the development, assemble, operation, support, implement, administer, configure, install, maintain, diagnose and repair of the computers hardware and training In information technology, software solutions, information and data ban\<5, networking, server technology, data processing, telecommunications and other allied activities.*
- *To develop, handle, upgrade, licence, sub-licence and dcal with content for a wide range of target audiences, businesses, corporates, schools, users in schools, higher education institutions, universities, and professional educational settings and the services which covers the entire length and breadth of education, learning and training needs across schools, colleges, universities, individuals and enterprises,*
- *To carry on in India or anywhere In the world ell or any of the business of providing and supply of end-ta-end turnkey advanced education solutions to schools, institutions and universities across the country in the government and private sector and establish the DigiSchool and DigiCampus for schools and colleges, to affiliate Itself, or associate with other institutions, establish faculties and to select faculty members and decide courses and teaching methods and strategies in order to ensure the more effective education programmes.*

(f) The Share Capital of Transferor Company 2 as per the audited balance sheet on March 31, 2021 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
100,000 Equity Shares of Rs.10/- each	1,000,000
Total	**1,000,000**

Issued, Subscribed and Paid-up Share Capital	
75,274 Equity Shares of Rs.10/- each	752,740
Total	**752,740**

Subsequent to March 31, 2021 and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 2, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 2.

(g) Post sanction of the proposed Scheme, the Transferor Company 2 shall stand dissolved and its shares shall get extinguished.

(h) Details of change of name of Transferor Company -2 during the last five years: There has been no change in the name of Transferor Company -2 during the last five years.

(i) Details of change in registered office of Transferor Company -2 during the last five years: There has been no change in Transferor Company -2's registered office during the last five years.

(j) Details of change in objects of Transferor Company -2 during the last five years: There has been no change in Transferor Company -2's objects during the last five years.

(k) Details of present Board of the Director of Transferor Company -2 along with their addresses:

S. No.	Name of the Director	Designation	Address
1	Mr. Neelesh Agarwal	Non-Independent and Non-Executive Director	House No. B-140 Sector -19 Noida Gautam Buddha Nagar Noida Uttar Pradesh 201301
2	Ms. Nina Puri	Non-Independent and Non-Executive Director	21-D, Friends Colony West Delhi 110065
3	Dr. Nikhil Sinha	Independent and Non-Executive Director	2416, Pine ST San Francisco CA, USA 94115
4	Mr. Dilip Kumar Srivastava	Non-Independent and Non-Executive Director	241, Deerwood Chase, Nirvana Country, Sector 50, Islampur (97), Gurgaon, South City-II, Gurgaon, Haryana – 122018
5	Mr. Sundararajan Mahalingam	Non-Independent and Non-Executive Director	P 403, Omaxe Twin Tower, F-21 Near Mahagun Maple, Sector 50, Gautam Buddha Nagar, Noida Uttar Pradesh 201301

(l) Details of promoters of the Transferor Company-2: Transferor Company-2 is the wholly owned subsidiary of HCL Infosystems Limited (Transferee Company), having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110019

(m) The amount due to Unsecured Creditors of the Transferor Company-2 as on March 31, 2021 is INR 488,736,242/-.

(n) Disclosure about the effect of the Scheme on the following persons in relation to Transferor Company-2

S. no	Category of Stakeholder	Effect of the scheme on Stakeholder
1.	Promoter and Non-Promoter shareholders	• HCL Learning Limited is a wholly owned subsidiary of HCL Infosystems Limited. • Accordingly, upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of HCL Learning Limited in HCL Infosystems Limited, all the equity shares held by HCL Infosystems Limited and its nominees in the HCL Learning Limited shall stand cancelled and extinguished as on Appointed Date. There will be no issue and allotment of equity shares of HCL Infosystems Limited upon the Scheme being effective. • Therefore, there would not be any dilution of shareholding of HCL Infosystems Limited and the interest of shareholders (Promoters as well as Non-Promoters) of the company remains unaffected.
2.	Creditors	• The companies do not have any secured creditors. • Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of HCL Learning Limited in HCL Infosystems Limited the unsecured creditors of HCL Learning Limited will become unsecured creditors of HCL Infosystems Limited. • Accordingly, the Scheme will not have any adverse effect on the unsecured creditors of HCL Learning Limited.
3	Key Managerial Personnel	• The proposed Scheme would not impact key managerial personnel since the Scheme is between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their shareholders and creditors, except to the extent of their shareholdings. As discussed above, there is no effect of the proposed Scheme on shareholders of these companies since no shares are proposed to be issued pursuant to the Scheme.
4	Depositors/ Deposit Trustee	• No effect. There are no depositors/Deposit Trustee

S. no	Category of Stakeholder	Effect of the scheme on Stakeholder
5	Debenture Holders/ Debenture Trustee	• No effect. There is no Debenture Holders/ Debenture Trustee
6	Employees/	• No effect on the employees. On approval of the Scheme of Merger, and with effect from the Appointed Date all employees of the Transferor Company 2 shall be deemed to have become the employees of Transferee Company pursuant to Clause 13 of the Scheme of Amalgamation
7	Directors	On the approval of the Scheme, Transferor Company 2 will merge into Transferee Company and Directors of Transferor Company 2 will cease to hold their respective positions.

(o) In compliance with the provisions of section 232(2)(c) of the Act, the Board of Transferor Company-2, has adopted a report, inter- alia, explaining the effect of the Scheme on their stakeholders. A copy of the report adopted by the Board of Transferor Company-2 is enclosed as **Annexure-V**.

(p) The audited financials for the financial year ended 31 March 2021 and the un-audited financials (provisional) for the period ended 30 June, 2021 of Transferor Company-2 are enclosed as **Annexure-IX** and **Annexure-X** respectively.

(q) No investigation proceedings are pending in relation to Transferor Company-2 under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.

6.3 HCL Infosystems Limited ("Transferee Company")

(a) The Transferee Company was incorporated on April 17, 1986 under the provisions of the Companies Act, 1956. The Corporate Identification Number of the company is L72200DL1986PLC023955.

(b) The Registered Office of the Transferee Company is situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AAACH2420C. Email id of its authorized representative is komal.bathla@hcl.com .

(c) Transferee Company is a public listed company. The equity shares of Transferee Company are listed on National Stock Exchange of India Limited (hereinafter called 'NSE') and BSE Limited (hereinafter called 'BSE').

(d) Transferee Company is the holding company of Transferor Company 1 and Transferor Company 2.

(e) Transferee company is primarily engaged in value-added distribution of technology, mobility and consumer electronic products.

(f) The main objects of the Transferee Company are set out in Clause III (A) of its Memorandum of Association. A few of the main objects as stated in the Memorandum of Association of

Transferee Company are as under :

- *To carry on in India or anywhere in the world, all or any of the following business or businesses as designers, assemblers, buyers, sellers, manufacturers, processors, dealers, retailers, traders, stockiest, distributors, importers, exporters, remodelers, installers, repairers, converters, overhaulers, representatives, developers, agents, hirers, cleaners, storers and lessors and service providers as principals, agents, contractors or otherwise deal in products and services in-*

  i. *the field of engineering in all or any of the fields of electronics, electrical, telecommunications, mechanical, chemical, solar and renewable energy, consumer lighting products and civil engineering;*

  ii. *all kinds of plant, machinery, equipment, apparatus, implements, parts, components, spares, batteries, accessories, assemblies, sub-assemblies and other devices and scientific or other instruments, precision tools, moulds and other equipment (including, but not limited to and in particular computers, accessories and peripherals thereof, digital products, electronic aids and appliances, copiers, microfilm readers and processors and other reprographics equipment, hardware and software for electronic and electro-mechanical and other related equipment and other ancillary items) and any other articles, products, by-products, materials, appliances, spares and accessories, apparatus and substitutes thereof;*

(g) The Share Capital of Transferee Company as per the audited balance sheet on March 31, 2021 is as under:

Particulars	**(Amount in Rs)**
Authorised Share Capital	
5,52,500,000 Equity Shares of Rs.2/- each	1,105,000,000
500,000 Preference Shares of Rs.100/- each	50,000,000
Total	**1,155,000,000**
Issued and Subscribed Share Capital	
329,210,928 Equity Shares of Rs.2/- each	658,421,856
Total	**658,421,856**
Paid-up Share Capital	
329,209,928 Equity Shares of Rs.2/- each	658,419,856
Total	**658,419,856**

Subsequent to March 31, 2021 and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed or paid up capital of the Transferee Company.

(h) Details of change of name of Transferee Company during the last five years: There has been no change in the name of Transferee Company during the last five years.

(i) Details of change in registered office of Transferee Company during the last five years: There has been no change in Transferee Company's registered office during the last five years.

(j) Details of change in objects of Transferee Company during the last five years: There has been no change in Transferee Company's objects during the last five years.

(k) Details of present Board of the Director of Transferee Company along with their addresses :

S. No.	Name of the Director	Designation	Address
1	Dr. Nikhil Sinha	Independent and Non-Executive Director	2416, Pine ST San Francisco CA, USA 94115
2	Mr. Kaushik Dutta	Independent and Non-Executive Director	843, A-Block, Lavy Pinto , Asiad Village, New Delhi, Khel Gaon, South Delhi 110049
3	Mr. Pawan Kumar Danwar	Non-Independent and Non-Executive Director	A-17, Dhruva Appartments Plot No. 43 Sector 13 Rohini New Delhi 110085
4	Mr. Dilip Kumar Srivastava	Non-Independent and Non-Executive Director	241, Deerwood Chase, Nirvana Country, Sector 50, Islampur (97), Gurgaon, South City-II, Gurgaon, Haryana – 122018
5	Ms. Sangeeta Talwar	Independent and Non-Executive Director	S-373, Greater Kailash - II, New Delhi 110048
6	Ms. Ritu Arora	Independent and Non-Executive Director	H. NO. -272 Tatvam Villa, Sohna Road, Sector – 28, Gurgaon Haryana 122018

(l) Details of promoters of the Transferee Company - Names of the Promoters of the Transferee Company along with their addresses:

S. No.	Name of Promoter	Address
1	Mr. Shiv Nadar	44, Friends Colony (East) Sriniwaspuri, South Delhi Sriniwaspuri 110065
2	Ms. Kiran Nadar	44, Friends Colony (East) Sriniwaspuri, South Delhi Sriniwaspuri 110065
3	Ms. Roshni Nadar Malhotra	44, Friends Colony (East) Sriniwaspuri, South Delhi Sriniwaspuri 110065
4	HCL Corporation Private Limited	44, Friends Colony (East) Sriniwaspuri, South Delhi Sriniwaspuri 110065
5	Vama Sundri Investments (Delhi) Private Limited	44, Friends Colony (East) Sriniwaspuri, South Delhi Sriniwaspuri 110065

(m) The amount due to Unsecured Creditors of the Transferee Company as on 31 March, 2021 is INR 5,835,880,293/-.

(n) Disclosure about the effect of the Scheme on the following persons in relation to Transferee Company:

S. no	Category of Stakeholder	Effect of the scheme on Stakeholder
1.	Promoter and Non-Promoter shareholders	• Digilife Distribution and Marketing Services Limited and HCL Learning Limited are wholly owned subsidiaries of HCL Infosystems Limited. • Accordingly, upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited and HCL Learning Limited in HCL Infosystems Limited, all the equity shares held by HCL Infosystems Limited and its nominees in these companies shall stand cancelled and extinguished as on Appointed Date. There will be no issue and allotment of equity shares of HCL Infosystems Limited upon the Scheme being effective. • Therefore, there would not be any dilution of shareholding of HCL Infosystems Limited and the interest of shareholders (Promoters as well as Non-Promoters) of the company remains unaffected.
2.	Creditors	• The companies do not have any secured creditors. • Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited and HCL Learning Limited in HCL Infosystems Limited the unsecured creditors of HCL Infosystems Limited shall remain the unsecured creditors of HCL Infosystems Limited. • Accordingly, the Scheme will not have any adverse effect on the unsecured creditors of HCL Infosystems Limited.
3	Key Managerial Personnel	• The proposed Scheme would not impact key managerial personnel since the Scheme is between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their shareholders and creditors, except to the extent of their shareholdings. As discussed above, there is no effect of the proposed Scheme on shareholders of these companies since no shares are proposed to be issued pursuant to the Scheme.
4	Depositors/ Deposit Trustee	• No effect. There are no depositors/Deposit Trustee

S. no	Category of Stakeholder	Effect of the scheme on Stakeholder
5	Debenture Holders/ Debenture Trustee	• No effect. There is no Debenture Holders/ Debenture Trustee
6	Employees/	• Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited and HCL Learning Limited in HCL Infosystems Limited the employees of HCL Infosystems Limited shall remain the employees of HCL Infosystems Limited. Therefore, there shall be no effect on the employees.
7	Directors	• Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited and HCL Learning Limited in HCL Infosystems Limited the Directors of HCL Infosystems Limited shall remain the Directors of HCL Infosystems Limited. Therefore, there shall be no effect on the Directors.

(o) In compliance with the provisions of section 232(2)(c) of the Act, the Board of Transferee Company, has adopted a report, inter- alia, explaining the effect of the Scheme on their stakeholders. A copy of the report adopted by the Board of Transferee Company is enclosed as **Annexure-VI**.

(p) The audited financials for the financial year ended 31 March, 2021 and the un-audited financials for the period ended 30 June, 2021 of Transferee Company are enclosed as **Annexure-XI** and **Annexure-XII** respectively.

(q) No investigation proceedings are pending in relation to Transferee Company under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Act.

7. Relationship between the companies

The entire paid-up share capital of Transferor Company-1 and Transferor Company-2 is held by Transferee Company i.e. Transferor Companies are wholly owned subsidiaries of the Transferee Company.

Requirement of obtaining the valuation report and Fairness Opinion are not applicable to the scheme, since, all the Transferor Companies are wholly owned subsidiaries of the Transferee Company and upon the scheme becoming effective, the entire issued, subscribed and paid up equity share capital of Transferor Companies shall stand cancelled and hence no new equity shares will be issued/ allotted by Transferee Company pursuant to the Scheme of Amalgamation.

8. **Rationale of the Scheme**

That the rationale for entering into the Scheme of Amalgamation are as follows:

(a) Consolidation of businesses into one corporate entity which would result in operational synergies for the group.

(b) Simplification of the corporate structure and reduction of legal entities; and

(c) Overall reduction in administrative, managerial and other expenditure and optimum utilization of various resources.

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the respective companies.

9. The Scheme is not prejudicial to the interests of the key managerial personnel, directors, promoters, non-promoter members, creditors, employees of the Transferor Companies and the Transferee Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

10. **Salient features of the Scheme of Amalgamation**

(a) The Scheme provides for the amalgamation of Digilife Distribution and Marketing Services Limited and HCL Learning Limited into and with HCL Infosystems Limited pursuant to a Scheme of Amalgamation under Sections 230-232 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 involving inter-alia approval of National Company Law Tribunal, New Delhi Bench.

(b) As per Clause 4.4, the Appointed Date means the 1st day of April, 2020 or such other date as may be fixed by the Hon'ble National Company Law Tribunal ("NCLT") of judicature at Delhi, or such other competent authority, as may be applicable.

(c) "NCLT" or "Tribunal" means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both the Transferor Companies and the Transferee company.

(d) As per Clause 4.7 of the Scheme, Effective Date means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the Transferee company and the Transferor Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date"

(e) As per Clause 7.1 of the Scheme, upon the coming into effect of this Scheme and with effect from the Appointed Date (after giving effect to the clause 7 of this Scheme), the Amalgamated Companies shall, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and sanction of this Scheme by the Tribunal and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Transferor Companies along with all the rights, title, interest or obligations of the Transferor Companies therein become that of the Transferee Company.

(f) As per clause 15.1 of the Scheme, Since the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, upon the Scheme becoming effective, all the equity shares held by the Transferee Company and its nominees in the Transferor Companies shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies upon the Scheme being effective.

(g) As per clause 16 of the scheme, with effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of accounts as per accounting treatment prescribed under Indian Accounting Standard 103 – ”Business Combinations” specified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and in accordance with generally accepted accounting principles. M/s BSR & Associates LLP, Chartered Accountants, the Statutory auditors of the Applicant Companies have certified that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the provisions of the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

(h) On the Scheme becoming effective, all employees, if any, of the Transferor Company in service on the Effective Date shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective date.

(i) This Scheme is and shall be conditional upon and subject to:

- The Scheme being agreed to by the requisite majority in number and value of such classes of persons including the respective shareholders and secured and unsecured creditors of each of the Transferor Companies and the Transferee Company except to the extent exempted by the Tribunal;
- The Scheme being approved by the Tribunal;
- Such other sanctions and approvals including sanctions of any statutory or regulatory authority, as may be required in respect of the Scheme, being obtained;
- filing of the certified copies of the Order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies, Delhi and Haryana.

(j) All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the respective companies.

(k) The Scheme also provides for:

i. the manner of vesting and transfer of the properties of the Transferor Companies to the Transferee Company;

ii. the transfer of all contracts, deeds, agreements, schemes, arrangements, insurance policies, and other instruments of whatsoever nature, of the Transferor Companies to the Transferee Company;

iii. the transfer of all legal proceedings by or against the Transferor Companies to the Transferee Company;

iv. the manner in which the business is to be carried on by the Transferor Companies until the Effective date.

The features set out above being only the salient features of the Scheme of Amalgamation, the Equity Shareholders and Unsecured Creditors of the Company are requested to read the entire text of the Scheme of Amalgamation to get themselves fully acquainted with the provisions thereof.

11. The proposed Scheme does not contemplate any corporate debt restructuring exercise.

12. The Pre scheme shareholding of Transferor Company-1 as on 30 September, 2021 would be as detailed below:

Category of Shareholder	No. of Shares held	Total Shareholding as a % of total no. of Shares
	Pre Scheme	**Pre Scheme**
Promoters and Promoter Group	56,050,000	100%
Total	**56,050,000**	**100%**

13. The Pre scheme shareholding of Transferor Company-2 as on 30 September, 2021 would be as detailed below:

Category of Shareholder	No. of Shares held	Total Shareholding as a % of total no. of Shares
	Pre Scheme	**Pre Scheme**
Promoters and Promoter Group	75,274	100%
Total	**75,274**	**100%**

14. The Pre and Post amalgamation shareholding of HCL Infosystems Limited shall be same as the scheme provides for the merger of Digilife Distribution and Marketing Services Limited and HCL Learning Limited, into and with HCL Infosystems Limited and no shares are being issued as part of the consideration. The Pre scheme shareholding of HCL Infosystems Limited based on 30 September, 2021 shareholding would be as detailed below:

Category of Shareholder	No. of Shares held		Total Shareholding as a % of total no. of Shares	
	Pre Scheme	Post Scheme	Pre Scheme	Post Scheme
Promoter and promoter group	20,70,31,161	20,70,31,161	62.89%	62.89%
Total Shareholding of Promoter & Promoter' Group (A)	20,70,31,161	20,70,31,161	62.89%	62.89%
Public Shareholding	12,21,78,767	12,21,78,767	37.11%	37.11%
Total Public Shareholding (B)	12,21,78,767	12,21,78,767	37.11%	37.11%
Total (A)+(B)	**32,92,09,928**	**32,92,09,928**	**100%**	**100%**

15. Details of Approval from regulatory authorities:

(a) Since the Transferor Companies are wholly owned subsidiaries of Transferee Company in accordance with Clause 7 of the SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, the provisions of Regulation 37 and 94 of Listing Obligations and Disclosure Requirements shall not be applicable on the merger.

(b) In terms of Proviso to Regulations 37(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, HCL Infosystems Limited has filed the draft Scheme with the National Stock Exchange of India Limited and BSE Limited on September 08, 2020 for the purpose of intimation. A copy of intimation sent to the relevant stock exchanges with respect to the Scheme is attached herewith as **Annexure-III**.

(c) The Transferor Companies and the Transferee Company have jointly made an application before the Hon'ble National Company Law Tribunal, New Delhi Bench for the sanction of the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

(d) A copy of the Scheme along with the necessary statement under Section 230 read with Rules 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, will be forwarded to the Registrar of Companies, in terms of the order dated September 17, 2021 (date of pronouncement) along with rectification order dated September 24, 2021 and order October 7, 2021 of the Hon'ble National Company Law Tribunal, New Delhi Bench.

(e) The Transferor Companies and the Transferee Company are required to seek approval / sanction / no-objection from certain regulatory and governmental authorities for the Scheme such as a concerned Registrar of Companies, Regional Director, Official Liquidator, Income Tax department and will obtain the same at the relevant time.

16. The Directors of the Company may be deemed to be concerned and/ or interested in the Scheme only to the extent of their Shareholding in the Transferee Company or to the extent the said Directors are common Directors in the Transferor Companies/ Transferee Company, or to the extent the said Directors are the partners, directors, members of the Transferor Companies/ Transferee Company, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold Shares in Transferor Companies/ Transferee Company.

17. The Board Meetings of Transferor Companies were held on 05th August 2020 and Transferee Company on 06th August 2020. All the directors present in the Board Meetings, voted in the favour of the Scheme. (for details refer point nos. 18, 19 and 20)

18. Details of Directors of Transferor Company 1 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of Transferor Company 1 on 05th August, 2020 are given below:

S. No.	Name of Director	Voted for the Resolution	Voted Against the Resolution	Did not Vote or Participate
1.	Kaushik Dutta	√		
2.	Dilip Kumar Srivastava	√		
3	Pawan Kumar Danwar	√		
4	Sundarajan Mahalingam	√		
5	Rita Gupta	√		
6	Nikhil Sinha (did not attended the meeting)			

19. Details of Directors of Transferor Company 2 who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of Transferor Company 2 held on 05th August, 2020 are given below:

S. No.	Name of Director	Voted for the Resolution	Voted Against the Resolution	Did not Vote or Participate
1.	Dilip Kumar Srivastava	√		
2.	Sundarajan Mahalingam	√		
3	Vikas agarwal	√		
4	Nikhil Sinha (did not attended the meeting)			
5	Neelesh Agarwal (did not attended the meeting)			
6	Nina Puri (did not attended the meeting)			

20. Details of Directors of Transferee Company who voted in favour/against/did not participate on resolution passed at the meeting of the Board of Directors of Transferee Company on 06th August, 2020 are given below:

S. No.	Name of Director	Voted for the Resolution	Voted Against the Resolution	Did not Vote or Participate
1	Nikhil Sinha	√		
2.	Dilip Kumar Srivastava	√		
3	Kaushik Dutta	√		
4	Pawan Kumar Danwar	√		
5	Ritu Arora	√		
6	Sangeeta Talwar	√		

21. The details of the directors / and Key Managerial Personnel ('KMP') of the Transferor Company 1 and their shareholding in the Transferor Company 1, Transferor Company 2 and Transferee Company as on 30 September, 2021 are as follows:

S. No.	Name of Director / KMP	Address	Position	Shares in Transferor Company 1	Shares in Transferor Company 2	Shares in Transferee Company
1.	Kaushik Dutta	843-A, Block Lavy Pinto, Asiad Village, New Delhi, Khel Gaon, South Delhi - 110049	Director	NIL	NIL	4000 shares
2.	Dilip Kumar Srivastava	Deerwood chase, 241, Nirvana Country, Southcity II, Gurgaon	Managing Director	NIL	NIL	NIL
3	Pawan Kumar Danwar	A-17, Dhruva Apts,PL-43, Sec-13, Rohini, Delhi	Director	NIL	NIL	NIL
4	Sundarajan Mahalingam	P-403, Omaxe Twin Towers, F-21, Sector-50, Noida, UP-201301	Director	NIL	NIL	NIL
5	Rita Gupta	B-101, Sector-14, Noida, 201301	Director	Holds 1 share as the nominee shareholder of HCL Infosystems Limited	Holds 1 share as the nominee shareholder of HCL Infosystems Limited	3698 Shares
6	Nikhil Sinha	2416 Pine ST San Francisco CA 94115 US	Director	NIL	NIL	NIL
7	Gunjan Khanna	D-3/10, (G.F), Sector – 16, Rohini – 110089	Company Secretary	NIL	NIL	NIL
8	Anuj Minocha (resigned w.e.f 11th December, 2020)	K-32, 2nd floor, Kirti Nagar, Delhi - 110015	Chief Financial Officer	NIL	NIL	NIL

S. No.	Name of Director / KMP	Address	Position	Shares in Transferor Company 1	Shares in Transferor Company 2	Shares in Transferee Company
9	Gaurav Bhalla (appointed w.e.f 9th June, 2021)	136, Gagan Vihar Extension, East Delhi – 110051.	Chief Financial Officer	NIL	NIL	NIL

22. The details of the directors / KMP of the Transferor Company 2 and their shareholding in the Transferor Company 1, Transferor Company 2 and Transferee Company as on 30 September, 2021 are as follows:

S. No.	Name of Director	Address	Position	Shares in Transferor Company 1	Shares in Transferor Company 2	Shares in Transferee Company
1.	Dilip Kumar Srivastava	Deerwood chase, 241, Nirvana Country, Southcity II, Gurgaon	Director	NIL	NIL	NIL
2.	Sundarajan Mahalingam	P-403, Omaxe Twin Towers, F-21, Sector-50, Noida, UP-201301	Director	NIL	NIL	NIL
3	Vikas agarwal (resigned w.e.f 30th June, 2021)	77, Engineers Estate, Plot No. 21, I. P. Extension Patparganj, Shakarpur New Delhi 110092	Director	NIL	NIL	NIL
4	Nikhil Sinha	2416 Pine ST San Francisco CA 94115 US	Director	NIL	NIL	NIL
5	Neelesh Agarwal	B-140, Sector-19, Noida, 201301	Director	NIL	NIL	NIL
6	Nina Puri	21-D, Friends Colony (West), New Delhi, 110065, Delhi, India	Director	NIL	NIL	NIL
7	Komal Bathla (Resigned w.e.f 9th February, 2021)	49/6, Lal Quarters, Lohia Nagar, Ghaziabad, Uttar Pradesh - 201001	Company Secretary	NIL	NIL	NIL

23. The details of the directors and KMP of the Transferee Company and their shareholding in the Transferee Company and Transferor Companies as on 30 September, 2021 are as follows:

S. No.	Name of Director/ KMP	Address	Position	Equity Shares Held in Transferee Company	Equity Shares Held in Transferor Company 1	Equity Shares Held in Transferor Company 2
1	Nikhil Sinha	2416 Pine ST San Francisco CA 94115 US	Director	NIL	NIL	NIL
2	Sangeeta Talwar	S-373, Greater Kailash, Part-II,New Delhi -110048, Delhi	Director	NIL	NIL	NIL
3	Kaushik Dutta	843-A, Block Lavy Pinto, Asiad Village, New Delhi, Khel Gaon, South Delhi - 110049	Director	4000 Shares	NIL	NIL
4	Pawan Kumar Danwar	A-17, Dhruva Apts,PL-43, Sec-13, Rohini, Delhi	Director	NIL	NIL	NIL
5	Dilip Kumar Srivastava	Deerwood chase, 241, Nirvana Country, Southcity II, Gurgaon	Director	NIL	NIL	NIL
6	Ritu Arora	H. No. 272, Tatvam Villa, Sohna Road, Sec-48, Gurgaon 122001	Director	NIL	NIL	NIL
7	Sushil Kumar Jain (Super anuuated w.e.f. 31st March, 2021)	D-166/44, Sector 50, Noida, Uttar Pradesh – 210301	Company Secretary	NIL	NIL	Holds 1 share as the nominee shareholder of HCL Infosystems Limited
8	Kapil Kapur (resigned w.e.f 31st May, 2021)	A-21, Sector-19, Raghunathpur, Gautam Buddha Nagar, Noida, Uttar Pradesh - 201301	Chief Financial Officer	NIL	Holds 1 share as the nominee shareholder of HCL Infosystems Limited	Holds 1 share as the nominee shareholder of HCL Infosystems Limited
9	Vinod Pulyani (resigned w.e.f 30th April, 2021)	B 3/338, Paschim Vihar, Delhi - 110063	Manager	NIL	NIL	NIL

S. No.	Name of Director/ KMP	Address	Position	Equity Shares Held in Transferee Company	Equity Shares Held in Transferor Company 1	Equity Shares Held in Transferor Company 2
10	Komal Bathla (appointed w.e.f 1st April, 2021)	49/6, Lal Quarters, Lohia Nagar, Ghaziabad, Uttar Pradesh - 201001	Company Secretary	NIL	NIL	NIL
11	Raj Sachdeva (appointed w.e.f 1st May, 2021)	C-155, Sector 72, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh – 210304	Manager	NIL	NIL	NIL
12	Alok Sahu (appointed w.e.f 1st June, 2021)	107, G.F., Ashiana Greens, Ahinsa Khand-2, Indirapuram, Ghaziabad, uttar Pradesh – 201014	Chief Financial Officer	NIL	Holds 1 share as the nominee shareholder of HCL Infosystems Limited	Holds 1 share as the nominee shareholder of HCL Infosystems Limited

24. None of the Directors, Promoters, Key Managerial Personnel, their relatives, Creditors and Employees of the Transferee Company respectively have any material interest, financial or otherwise, in the Scheme, save to the extent of shares held by them in the Transferee Company, if any.

25. This statement may also be treated as an Explanatory Statement under Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any.

26. In accordance with the provisions of Sections 230 to 232 of the Companies Act, the Scheme shall be acted upon only if a majority in number representing 75% in value of the Unsecured Creditors of the Transferee Company, attending the meeting and voting by e-voting, agree to the Scheme.

27. On the Scheme being approved by the requisite majority of the Shareholders and Unsecured Creditors, the Companies shall file a joint petition with the Hon'ble National Company Law Tribunal, New Delhi Bench for sanction of the Scheme under Sections 230-232 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Act.

28. It is further provided that there are no other contracts or agreements that are material to the proposed scheme.

29. It is confirmed that the copy of the Scheme, as approved by Board, is being filed with the Registrar of Companies, New Delhi and Haryana and other requisite authorities.

30. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

31. No other approvals from regulators or governmental authorities are required at this stage nor any have been received or are pending in respect of the proposed Scheme.

32. No winding up petition is pending against the Transferee Company and the Transferor Companies.

33. The following documents are available for inspection by the Equity Shareholder or Unsecured Creditors of the company at the Registered Office from the date of this notice up to and including the date of the Meeting between 9.00 A.M to 5.00 P.M on all working days (except Saturdays, Sundays and public holidays)

(a) Copy of the Company Application No. CA(CAA)-90/230/232/ 2020.

(b) Copies of Order dated September 17, 2021 along with rectification order dated September 24, 2021 and order dated October 7, 2021 of the National Company Law Tribunal, New Delhi Bench passed in Company Application No. CA(CAA)-90/230/232/ 2020 directing the convening of the Meetings of the Equity Shareholders and Unsecured Creditors of Digilife Distribution and Marketing Services Limited, Meetings of the Equity Shareholders of HCL Learning Limited and Meetings of the Equity Shareholders and Unsecured Creditors HCL Infosystems Limited.

(c) Copy of the Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors

(d) Copy of the Memorandum and Articles of Association of the Transferee Company and Transferor Companies.

(e) Copy of the audited accounts of the Transferee Company and Transferor Companies for the financial year ending 31 March, 2021 along with un-audited accounts (provisional) for the period ended 30 June, 2021.

(f) Copy of the extracts of the Board Resolution dated August 05, 2020 and August 06, 2020 of the Transferor Companies and the Transferee Company respectively approving the Scheme;

(g) Copy of certificate issued by M/s BSR & Associates LLP, Chartered Accountants, the Statutory auditors of the Applicant Companies certifying that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the provisions of the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

(h) Copy of Board report adopted by the Applicant Companies in accordance with the provisions of section 232(2)(c) of the Act.

(i) Register of Director's and Key Managerial Personnel's shareholding in Transferee Company

(j) The soft copies of the Notices of the meetings, explanatory statements and other relevant documents are also uploaded on the following websites –

Particulars	Website
HCL Infosystems Limited	https://www.hclinfosystems.in/investors/
BSE Limited	https://www.bseindia.com
National Stock Exchange of India Limited	https://www.nseindia.com/
NSDL	www.evoting.nsdl.com

Dated this October 18, 2021
Sd/-
Komal Bathla
(Authorized Signatory)
Place - New Delhi
Registered Office: 806, Siddharth 96, Nehru Place, New Delhi – 110019

Annexure-I

SCHEME OF AMALGAMATION

OF

DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED
(TRANSFEROR COMPANY 1)

AND

HCL LEARNING LIMITED
(TRANSFEROR COMPANY 2)

WITH

HCL INFOSYSTEMS LIMITED
(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

1. **DESCRIPTION OF THE TRANSFEROR COMPANIES AND THE TRANSFEREE COMPANY**

1.1 Digilife Distribution and Marketing Services Limited (**hereinafter referred to as "DDMS" or "Amalgamating Company 1" or "Transferor Company 1"**) was incorporated on the 19h day of March 2008 as a company limited by shares. The Corporate Identification Number of the Transferor Company 1 is U72900DL2008PLC175605.

The Registered Office of the Transferor Company 1 is situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having permanent account number ('PAN') as AACCH0076J. Email id of its authorized representative is sushiljain@hcl.com.

Transferor Company 1 is primarily engaged in the business of value-added distribution of technology, mobility and consumer electronic products.

1.2 HCL Learning Limited (**hereinafter referred to as "HCL Learning" or "Amalgamating Company 2" or "Transferor Company 2"**) was incorporated on the 28th day of September 2012 as a company limited by shares. The Corporate Identification Number of the Transferor Company 2 is U80900DL2012PLC242907.

The Registered Office of the Transferor Company 2 is situated at 806, Siddharth 96, Nehru Place, New Delhi - 110019 and having PAN as AADCH0304E. Email id of its authorized representative is sushiljain@hcl.com.

Transferor Company 2 is primarily engaged in selling of digitised educational content & learning solutions.

1.3 HCL Infosystems Limited (**hereinafter referred to as "HIL" or "Amalgamated Company" or "Transferee Company")**, was incorporated on the 17th day of April 1986 as a company limited by shares. The Corporate Identification Number of the company is L72200DL1986PLC023955. The equity shares of HIL are listed on National Stock Exchange of India Limited (hereinafter called 'NSE') and BSE Limited (hereinafter called 'BSE')

The Registered Office of the Transferee Company is situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AAACH2420C. Email id of its authorized representative is sushiljain@hcl.com.

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

Digilife Distribution and Marketing Services Limited

HCL Learning Limited

HCL INFOSYSTEMS LIMITED

2. PURPOSE AND RATIONALE FOR THE SCHEME OF AMALGAMATION

This scheme of amalgamation **("Scheme" or "the Scheme" or "this Scheme")** provides for the amalgamation of Transferor Company 1 and Transferor Company 2 (**Collectively referred to as "Transferor Companies"**) into and with Transferee Company in the manner set out in the Scheme, in accordance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules or regulations framed thereunder.

The Transferor Companies are wholly owned subsidiaries of the Transferee Company. The Scheme seeks to undertake the amalgamation and consolidation of DDMS and HCL Learning with HIL.

The proposed amalgamation of Transferor Companies with the Transferee Company is driven by the following objectives and is likely to result, inter alia, in the following advantages:

(a) Consolidation of businesses into one corporate entity which would result in operational synergies for the group.

(b) Simplification of the corporate structure and reduction of legal entities; and

(c) Overall reduction in administrative, managerial and other expenditure and optimum utilization of various resources.

The Scheme would, thus, have beneficial results for Transferor Companies and Transferee Company, their shareholders, and all concerned and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Accordingly, to achieve the above objectives, the Board of Directors of Transferor Companies and Transferee Company have considered and proposed to make requisite application(s) and/or petition(s) before the National Company Law Tribunal, New Delhi under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (as may be in force) for the sanction of this Scheme to amalgamate the Transferor Companies into and with Transferee Company.

Digital Distribution and Marketing Services Limited

HCL Learning Limited

HCL INFOSYSTEMS LIMITED

3. **PARTS OF THE SCHEME OF AMALGAMATION**

The Scheme is divided into the following parts:

Part I, which deals with the definitions and interpretations of the terms used in the Scheme; the Effective Date of the Scheme; and the Share Capital of the Transferor Companies and the Transferee Company.

Part II, deals with the amalgamation of the Transferor Companies with HIL, by absorption, in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

Part III, which deals with the consideration and matters relating to accounting.

Part IV, which deals with the general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

Digilife Distribution and Marketing Services Limited

HCL Learning Limited

HCL INFOSYSTEMS LIMITED

PART – I

4. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following words and expressions shall have the following meaning:

4.1 **"Accounting Standards"** means the accounting standards as formulated by the Central Government as recommended by the Institute of Chartered Accountants of India.

4.2 **"Act" or "The Act"** means the Companies Act, 2013, to the extent applicable, including the rules and regulations made thereunder and will include any statutory modifications, re-enactments and / or amendments thereof for the time being in force.

4.3 **"Applicable Laws"** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter.

4.4 **"Appointed Date"** means the 1st day of April, 2020 or such other date as may be fixed by the Hon'ble National Company Law Tribunal ("NCLT") of judicature at Delhi, or such other competent authority, as may be applicable.

4.5 **"Board of Directors" or "Board"** means the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be and includes any committee thereof or persons authorised by the Board or committee thereof.

4.6 **"BSE"** shall mean BSE Limited.

4.7 **"Effective Date"** means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the Transferee Company and the Transferor Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".

4.8 **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both the Transferor Companies and the Transferee Company.

4.9 **"NSE"** means the National Stock Exchange of India Limited.

4.10 **"Scheme of Amalgamation"** or **"Scheme"** means this scheme of amalgamation involving the amalgamation of the Transferor Companies with the Transferee Company as approved, with or without any amendments/modifications.

4.11 **"SEBI"** means Securities and Exchange Board of India.

4.12 **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited.

4.13 **"Transferee Company" or "Amalgamated Company" or "HIL"** means HCL Infosystems Limited having its Corporate Identification Number L72200DL1986PLC023955, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AAACH2420C and Email id of its authorized representative is sushiljain@hcl.com .

4.14 **"Transferor Company 1" or "Amalgamating Company 1" or "DDMS"** means Digilife Distribution and Marketing Services Limited having its Corporate Identification Number U72900DL2008PLC175605, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AACCH0076J and Email id of its authorized representative is sushiljain@hcl.com.

4.15 **"Transferor Company 2" or "Amalgamating Company 2" or "HCL Learning"** means HCL Learning Limited having its Corporate Identification Number U80900DL2012PLC242907, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AADCH0304E and Email id of its authorized representative is sushiljain@hcl.com.

4.16 **"Transferor Companies" or "Amalgamating Companies"** means DDMS and HCL Learning collectively, which are proposed to be amalgamated into HIL.

EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

5. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall come into legal operation from the Appointed Date, but the same shall become effective on and from the Effective Date.

Digilife Distribution and Marketing Services Limited

HCL Learning Limited

HCL INFOSYSTEMS LIMITED

6. SHARE CAPITAL

6.1 The share capital of the Transferor Company 1 as on March 31, 2020 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
60,000,000 Equity Shares of Rs.10/- each	600,000,000
Total	**600,000,000**
Issued, Subscribed and Paid-up Share Capital	
56,050,000 Equity Shares of Rs.10/- each	560,500,000
Total	**560,500,000**

Subsequent to March 31, 2020 and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 1, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 1.

6.2 The share capital of the Transferor Company 2 as on March 31, 2020 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
100,000 Equity Shares of Rs.10/- each	1,000,000
Total	**1,000,000**
Issued, Subscribed and Paid-up Share Capital	
75,274 Equity Shares of Rs.10/- each	752,740
Total	**752,740**

Subsequent to March 31, 2020 and till the date of the Scheme being approved by the Board of Directors of the Transferor Company 2, there has been no change in the issued, subscribed or paid up capital of the Transferor Company 2.

6.3 The share capital of the Transferee Company as on March 31, 2020 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
5,52,500,000 Equity Shares of Rs.2/- each	1,105,000,000
500,000 Preference Shares of Rs.100/- each	50,000,000
Total	**1,155,000,000**
Issued and Subscribed Share Capital	
329,210,928 Equity Shares of Rs.2/- each	658,421,856
Total	**658,421,856**
Paid-up Share Capital	
329,209,928 Equity Shares of Rs.2/- each	658,419,856
Total	**658,419,856**

Subsequent to March 31, 2020 and till the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed or paid up capital of the Transferee Company.

The entire paid up share capital of the Transferor Companies is held by the Transferee Company and its nominees.

PART – II

AMALGAMATION OF DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED AND HCL LEARNING LIMITED WITH AND INTO HCL INFOSYSTEMS LIMITED

7. TRANSFER AND VESTING OF THE TRANSFEROR COMPANIES

7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date (after giving effect to the clause 7 of this Scheme), the Amalgamated Companies shall, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and sanction of this Scheme by the Tribunal and other applicable provisions of the law for the time being in force and without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company on and from the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Transferor Companies along with all the rights, title, interest or obligations of the Transferor Companies therein become that of the Transferee Company.

7.2 Without prejudice to sub-clause 7.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows

(a) All the movable assets including investments, cash in hand, bank balances and deposits any, of the Transferor Companies capable of being transferred by delivery, shall be handed over by physical delivery to the Transferee Company along with such other documents as may be necessary towards the end and intent that the property therein passes to the Transferee Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.

(b) All debts, loans and advances recoverable in cash or in kind or for value to be received, if any, with Government, Customs, Port, local and other authorities and bodies, customers and other persons, outstanding and receivables of the Transferor Companies other than the movable assets specified in sub-clause (a) above, shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in the Transferee Company), and the debtors shall be obliged to make payments to the Transferee Company on and after the Effective Date.

(c) All immovable properties including land together with the buildings and structures standing thereon or under construction (whether free hold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, office space and guest houses and residential premises occupied by the staff and employees of the Transferor Companies), and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties of the Transferor Companies, if any, shall be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company and shall belong to the Amalgamated Companies in the same and like manner as was entitled to the Transferor Companies. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Companies shall be deemed to be the title of the Transferee Company.

(d) All the licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, brought forward losses and unabsorbed depreciation both under books and Income Tax Act, other tax exemptions and/or deferments, amount of tax deposited under protest, bonds with the custom authorities), concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, concessions, rights, claims, leases, tenancy rights, special status and other benefits or privileges) of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

(e) All assets and properties including licenses, registrations, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

(f) All debts, liabilities, contingent liabilities, duties, indemnifications given pursuant to any agreement entered into by the Transferor Companies and obligations of every kind, nature and description of the Transferor Companies shall also, without any further act, instrument or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties, indemnifications and obligations have arisen, in order to give effect to the provisions of this subclause.

(g) The transfer and vesting of the Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies. Provided however that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company.

Provided further that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Companies with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

7.3 All assets, of whatsoever nature, acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company, upon the Scheme becoming effective without any further act, instrument or deed.

7.4 Where any of the liabilities and obligations of the Transferor Companies as on the Appointed Date, deemed to have been transferred to the Amalgamated Companies have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Transferor Companies for the operation of the Transferor Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, be and shall stand transferred to the Transferee Company and shall become its liabilities and obligations from such date.

8. BUSINESS AND PROPERTY IN TRUST

Upon the coming into effect of the Scheme and from the Appointed Date and up to and including the Effective Date:

(a) The Transferor Companies shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for the Transferee Company and shall account for the same to the Transferee Company.

(b) Any income or profit accruing or arising to the Transferor Companies, as the case may be, and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of the Transferee Company.

(c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Transferor Companies that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

9. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

9.1 With effect from the Appointed Date and up to and including the Effective Date:

(a) The Transferor Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.

(b) The Transferor Companies shall not alter or substantially expand the business except with the written concurrence of the Transferee Company.

(c) The Transferor Companies shall not, without the written concurrence of the Transferee Company, transfer, alienate, charge, mortgage or encumber any of its assets or properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Companies.

(d) The Transferor Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, save and except, in each case, in the following circumstances:

i. If the same is in the ordinary course of business as carried on by the Transferor Companies as on the date of filing this Scheme with Tribunal; or

ii. If the written consent of the Transferee Company, as the case may be, has been obtained.

(e) The Transferor Companies shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Companies.

9.2 On the Effective Date but with effect from the Appointed Date, the Transferee Company shall be authorized to carry on the businesses carried on by the Transferor Companies.

9.3 The Transferee Company may be allowed to alter its capital structure, either by fresh issue of shares or convertible securities on a rights basis or otherwise or by any reclassification, sub-division, consolidation, re-organisation or in any other manner with the consent of Board of Directors of the Transferee Company.

10. COMPLIANCE WITH TAX LAWS

This provisions of this Scheme as they relate to the amalgamation of Transferor Companies into and with Transferee Company, have been drawn up to comply with the conditions relating to "Amalgamation" as defined under the income-tax laws, specifically section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments as may become necessary shall vest with the Board of the Transferee Company, which power shall be exercised reasonably in the best interests of the companies and their stakeholders, and which power can be exercised at any time, whether before or after the Effective Date.

11. LEGAL PROCEEDINGS

All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/ or arising on or after the Appointed Date and prior to the Effective Date and relating to the Transferor Companies or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by the Transferor Companies and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.

12. CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Transferor Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Companies and the Transferee Company, as on the Effective Date shall stand cancelled and cease to operate in the Transferee Company.

13. STAFF AND EMPLOYEES

13.1 On the Scheme coming into effect, all staff and employees of the Transferor Companies in service on such date shall be deemed to have become staff and employees of the Transferee Company without any break, discontinuance or interruption in their service and on the basis of continuity of service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Companies on the Effective Date.

13.2 Upon the Scheme coming into effect, the existing balances of Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, created by the Transferor Companies for its employees shall be transferred to the Transferee Company. The Transferor Companies shall take all steps necessary for the transfer of balances, where applicable, of the Provident Fund, Gratuity Fund, Leave Encashment scheme and/ or other schemes, to the Transferee Company. All obligations of the Transferor Companies with regard to the said fund or funds as defined in the relevant rules shall be taken over by the Transferee Company from the Effective Date to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the Transferor Companies under such Funds shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

14. TREATMENT OF TAXES

14.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Central Excise Act 1944, Service Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as **"Tax Laws"**) allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax, withholding tax, service tax and any tax credit entitlements as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company. Any refund under the Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

14.2 All taxes (including income tax, sales tax, customs duty, service tax, VAT, etc) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, custom duty, income tax, service tax, excise, value added tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

14.3 The Transferee Company is expressly permitted to file/ revise its income tax, wealth tax, service tax, VAT, sales tax, excise, CENVAT and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. However, upon the Scheme becoming effective subsequently, the Transferee Company shall have the right to revise and consolidate its financial statements and returns along with prescribed forms, filings and applications/ annexures under the Income Tax Act, 1961, indirect taxes and other tax laws. The Transferee Company is expressly permitted to amend TDS/ TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by the Transferor Companies shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of the Transferor Companies.

14.4 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

Furthermore, on or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Companies under the Tax Laws, and to claim refunds and/ or credits for the taxes paid, etc. and for matters incidental thereto, shall be available to and vest with the Transferee Company.

14.5 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Companies on or after Appointed Date shall be deemed to be made by the Transferee Company.

PART - III

15. CONSIDERATION

15.1 Since the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, upon the Scheme becoming effective, all the equity shares held by the Transferee Company and its nominees in the Transferor Companies shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies upon the Scheme being effective.

15.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Transferee Company in the Transferor Companies shall be deemed to be cancelled without any further act or deed for cancellation thereof by Transferee Company.

16. ACCOUNTING TREATMENT

With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company 1 and Transferor Company 2 ("Transferor Companies") in its books of account in accordance with the Indian Accounting Standard 103 'Business Combinations' ('Ind AS 103') specified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and in accordance with generally accepted accounting principles such that:

16.1 Transferee Company shall record all assets, liabilities and reserves of the Transferor Companies vested in Transferee Company pursuant to this Scheme, at the carrying values as appearing in the books of Transferor Companies, as per Para 9 of Appendix C of Ind AS 103.

16.2 The amount of investment, if any, in the Transferor Companies, appearing in the books of the Transferee Company shall stand cancelled.

16.3 The inter-company balances, if any, appearing in the books of account of Transferor Companies and Transferee Company shall stand cancelled and there shall be no further obligation/ outstanding in this respect.

16.4 The difference, if any, between the carrying value of assets and liabilities including the reserves and surplus of Transferor Companies recorded as per Clause 16.1 above and after effecting adjustments mentioned in Clause 16.2 and Clause 16.3 above shall be adjusted as per Appendix C of Ind AS 103.

Digilite Distribution and Marketing Services Limited

HCL Learning Limited

HCL INFOSYSTEMS LIMITED

17. COMBINATION OF AUTHORISED SHARE CAPITAL

17.1 Upon the Scheme becoming effective, the authorized share capital of Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of Transferee Company by the authorized share capital of Transferor Companies as on the Effective Date and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 13, 14 and 61 and other applicable provisions of the Companies Act, 2013, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized share capital of Transferor Companies shall be utilized and applied to the increased authorized share capital of Transferee Company and no payment of any extra stamp duty and / or fee shall be payable by Transferee Company for increase in the authorized share capital to that extent.

17.2 The filing fees and stamp duty already paid by the Transferor Companies on its authorized share capital shall be utilized and applied to increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital. Further, the Transferee Company shall pay the requisite fee, if any, that arises due to the difference in maximum statutory fee as per the Act payable on such combined authorized share capital.

17.3 It is hereby clarified that the Transferee Company through its Board, if required, would be entitled to make appropriate reclassification/ combination of its Authorized Share Capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the Authorized Share Capital of the Transferor Companies with the Transferee Company.

17.4 Pursuant to this Scheme, Transferee Company shall file the requisite forms / documents with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorized share capital.

PART - IV

18. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 7 and the continuance of proceedings by or against the Transferee Company under Clause 11 shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the date when the Transferor Companies adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

19. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme coming into effect, the Transferor Companies shall, without any further act or deed, stand dissolved without winding up.

20. APPLICATIONS TO THE TRIBUNAL/ OTHER AUTHORITY

20.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications to the Tribunal, seeking orders for dispensing with or convening, holding and conducting of the meetings of the shareholders and/ or creditors of the Transferor Companies and the Transferee Company as may be directed by the Tribunal.

20.2 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, apply to the Tribunal for sanctioning the Scheme under the applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

21. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

(a) the Scheme being agreed to by the requisite majority in number and value of such classes of persons including the respective shareholders and secured and unsecured creditors of each of the Transferor Companies and the Transferee Company except to the extent exempted by the Tribunal;

(b) the Scheme being approved by the Tribunal;

(c) such other sanctions and approvals including sanctions of any statutory or regulatory authority, as may be required in respect of the Scheme, being obtained;

(d) filing of the certified copies of the Order of the Tribunal sanctioning the Scheme under the applicable provisions of the Act with the Registrar of Companies, Delhi and Haryana.

22. EFFECT OF NON-APPROVALS

22.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred *inter-se* by the Transferor Companies and the Transferee Company and each of the Transferor Companies and the Transferee Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

22.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and the Scheme with the remaining component(s) shall be implemented.

23. MODIFICATION OR AMENDMENT TO THE SCHEME

The Board of the Transferor Companies and the Transferee Company may assent to any modification(s) or amendment(s) in this Scheme which the Tribunal and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of the Transferor Companies and the Transferee Company and after the dissolution of the Transferor Companies, the Board of Directors of the Transferee Company be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith. The Board of the Transferor Companies and the Transferee Company may assent to withdrawal of the scheme at any stage even after sanctioning of the scheme.

24. REVOCATION AND SEVERABILITY

24.1 In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid within such period as may be mutually agreed upon by the respective Board of the Transferor Companies and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.

24.2 In the event of any of the conditions that may be imposed by the Tribunal or other authorities and which the Transferor Companies and the Transferee Company may find unacceptable for any reason, then the Transferor Companies and the Transferee Company are at liberty to withdraw the Scheme.

24.3 The Board of the Transferor Companies and the Transferee Company shall be entitled to withdraw, revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on the Transferor Companies and the Transferee Company.

24.4 In the event of revocation under Clause 24.1, Clause 24.2 and Clause 24.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Companies and the Transferee Company and their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each of the Transferor Companies and the Transferee Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

25. COMPLIANCE WITH SEBI REGULATIONS

25.1 As the scheme solely provides for amalgamation of wholly owned subsidiaries with its holding company as regards to the listed company, no formal approval, no objection certificate or vetting is required from Stock Exchanges or SEBI for the Scheme, in terms of provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, SEBI Circular No. CFD/ DIL3/ CIR/ 2017/ 21 dated 10th March, 2017, SEBI Circular No. CFD/ DIL3/ CIR/ 2018/ 2 dated 3rd January 2018 and other applicable provisions, if any.

25.2 In terms of SEBI Regulations, this Scheme is only required to be filed with Stock Exchanges for the purpose of disclosure and dissemination on their website.

26. COSTS, CHARGES AND EXPENSES

Except in the circumstances mentioned in Clause 22 and Clause 24 above, all costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

Digital Distribution and Marketing Services Limited

HCL Learning Limited

HCL INFOSYSTEMS LIMITED

Annexure-II

FREE OF COST COPY

THE NATIONAL COMPANY LAW TRIBUNAL, COURT-V, NEW DELHI

Company Application No. CA (CAA) -90/230/232/ND/2020

U/S 230-232 and other applicable provisions of the Companies Act, 2013

Item 512 of 09.09.21

In the Matter of:

Digilife Distribution and Marketing Services Limited
806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferor Company- 1

And

HCL Learning Limited
806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferor Company- 2

With

HCL Infosystems Limited
806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferee Company

Order Delivered on 17.09.2021

Coram:
Hon'ble P.S.N Prasad, Member (J)
Hon'ble K.K. Vohra, Member (T)

Present:
For the Petitioners: Advs Mahesh Agarwal, Rishi Agarwal, Rajeev Kumar

ORDER

Per: K.K. Vohra, Member (T)

1. This is an Application filed jointly by the Petitioner Companies (Cos) named above under Section 230-232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the Rules) in relation to the Scheme of Arrangement by way of Amalgamation (Scheme) involving two Transferor & one Transferee Cos. The said Scheme is annexed (pg 45) to the Petition. Affidavits in support of this Application sworn for and on behalf of the Petitioner Cos by Mr Sushil Kumar Jain has been filed, being the Authorized Signatory of the Petitioner Cos.

2. The Petitioner Cos in their main Petition CA (CAA)-90/230/232/ND/2020 prayed for dispensation of meeting of Shareholders. Subsequently, an application CA-161/2021 has been filed under Rule 155 R/w Rule 11 of National Company Law Tribunal Rules, 2016 (NCLT Rules) for convening meeting of the Shareholders of the Petitioner Cos duly approved by Board of Directors. On 08.04.21, this Court allowed to amend the prayers in the main Petition. During the course of hearing on 09.09.21 the Ld Counsel for the Petitioners agreed to convene meetings of Unsecured Creditors of Transferor Co 1 and Transferee Co. The Petitioner Cos have made, among others, the following final prayers:

a) Convene separate meetings of Shareholders of the Transferor and Transferee Cos
b) Dispense meetings of Secured Creditors of the Petitioner Cos
c) Convene meetings of Unsecured Creditors of Transferor Co 1 and Transferee Co
d) Grant exemption from sending individual notices to Unsecured Creditors of the Transferee Company having debt value up to Rs 2,00,000 each
e) Direct service of notice of the present Petition on Statutory Authorities

3. It is represented that a Joint Application filed by the Petitioner Cos (Petitioners) is maintainable in view of Rule 3(2) of the Rules. It is also represented that the registered office of Transferee Co is situated within the territorial jurisdiction of this Tribunal.

4. The Petitioner Cos have furnished (as on 31.3.21) the number of the Shareholders, Secured Creditors and Unsecured Creditors as follow:

S. No.	Company	Shareholders	Secured Creditors	Unsecured Creditors
1.	Transferor Co 1	7	0	27
2.	Transferor Co 2	7	0	10
3.	Transferee Co	96,477	0	1198

5. Perusal of the Application indicates the details of the capital structure of the Cos as on 31.3.21 as follow:

S. No.	Company	Date of incorporation	Authorized Share Capital (Rs)	Paid up and subscribed share capital (Rs)	CIN No.
1.	Transferor Co 1	19.03.2008	Rs 60,00,00,000 divided into 6,00,00,000 equity shares of Rs 10 each	Rs 56,05,00,000 divided into 5,60,50,000 equity shares of Rs 10 each	U729 00DL 2008 PLC1 75605
2.	Transferor Co 2	28.09.2012	Rs 10,00,000 divided into 1,00,000 equity shares of Rs 10 each	Rs 7,52,740 divided into 75,274 equity shares of Rs 10 each	U809 00DL 2012 PLC2 42907
3.	Transferee Co	17.04.1986	Rs 110,50,00,000 divided into 55,25,00,000 equity shares of Rs 2 each and Rs 5,00,00,000 divided into 5,00,000 Preference Shares of Rs 100 each	Rs 65,84,19,856 divided into 32,92,09,928 equity shares of Rs 2 each	L722 00DL 1986 PLC0 23955

6. It is stated that the present Scheme is in the form of amalgamation of Transferor Cos with Transferee Co. The Petitioner Cos have filed their respective Memorandum and Articles of Association, inter alia, delineating their object clauses as well as Audited Annual Accounts for the year ended 31.03.2021. The Transferor Co 1 is engaged in the business of value-added distribution of technology, mobility and consumer electronic products. Transferor Co 2 is engaged in the business of selling of digitised educational content and learning solutions and Transferee Co is engaged in the business of value-added distribution of technology, mobility and consumer electronic products. The objective of amalgamation is to consolidate business into one corporate entity which would result in operational synergies, simplification of the corporate structure, reduction of legal entities, overall reduction in administrative, managerial and other expenditure for optimum utilisation of various resources.

7. The Transferee Co has prayed for exemption from sending individual notices to Unsecured Creditors of the Transferee Company having debt value up to Rs 2,00,000 each. In this context, Transferee Co has relied on the Order passed by Principal Bench in the matter of *Relaxo Footwear Limited* CA (CAA)-86/(PB)/2018 wherein individual notices to Unsecured Creditors having outstanding balance below Rs 1,00,000 each were dispensed with. The petitioners have stated that Unsecured Creditors below Rs 1,00,000 each as on 31.03.21 are 1004 in number and 0.28% in value (Pg 4 of affidavit 23.07.21).

CA (CAA) -90/230/232/ND/2020

8. The Petitioners have furnished the Lists of all Unsecured Creditors (with balance of Rs 1.0 lakh each and above as well as with balance of below Rs 1.0 lakh each) totalling Rs 583 crores. Further, there are other Creditors on account of Statutory dues etc included in Balance Sheet as on 31.03.21. Petitioners are directed to ensure that the total of creditors to whom the notices are sent should tally with the amount of Creditors in the Balance Sheet as on 31.3.21. In view of large number of Creditors and prayer to dispense with notices to very small value Creditors, Transferee Co is **directed** to send individual notices to all Unsecured Creditors and other creditors having an outstanding balance of Rs 1.0 lakh or more each as per audited balance sheet as on 31.03.21, as per Rules in prescribed formats.

9. The Board of Directors of Transferor Cos have unanimously approved the proposed Scheme on 05.08.20 and Board of Transferee Co approved the Scheme on 06.08.20. Copies of resolutions have been placed on record (pg 150, 305 and 451).

10. The appointed date as specified in the Scheme is 1st April 2020 subject to the directions of this Tribunal.

11. The Petitioners have stated in the Affidavit dated 23.07.21 (pg 2-6) that there are no pending investigations or proceedings against the Petitioners.

12. In respect of Secured Creditors, it is stated that Transferor Cos 1, 2 and Transferee Co have Nil Secured Creditors. In respect of Transferor 2 Co, there are 10 Unsecured Creditors out of which 1 in number has given Consent affidavit which constitutes 97.7% in value of total Unsecured Creditors (Pg 20 of affidavit dated 6.7.21). Therefore, in light of provisions of Section 230(9) of the Act, the prayer for dispensation of meeting of Unsecured Creditors of Transferor 2 Co is **allowed** since more than 90% in value of Unsecured Creditors have given consent affidavits.

13. Heard the submissions of the Ld. Counsel for the Petitioner Cos.

14. This Tribunal issues the following **directions** with respect to calling, convening, and holding of the meetings:

A. Transferor Co 1:

(i) With respect to Equity Shareholders:

CA (CAA) -90/230/232/ND/2020

The Meeting of the Shareholders of the Transferor Co 1 shall be convened on 5th November, 2021 at 10:30 AM at 806, Siddharth 96, Nehru Place, New Delhi-110019 through Video Conferencing or as per the extant Regulations/Circulars of MCA including relevant Secretarial Standards. The quorum of the meeting shall be as per the number provided under Section 103 and 75% in value as provided in Section 230 (6) of the Act.

(ii) With respect to Secured Creditors:

Since it is represented that there is no Secured Creditor, the necessity of convening a meeting does not arise.

(iii) With respect to Unsecured Creditors:

The Meeting of the Unsecured Creditors of the Transferor 1 Co shall be convened on 5th November, 2021 at 11:30 PM at 806, Siddharth 96, Nehru Place, New Delhi-110019 through Video Conferencing or as per the extant Regulations /Circulars of MCA including relevant Secretarial Standards. The quorum of the meeting shall be as per the number provided under Section 103 and 75% in value as provided in Section 230 (6) of the Act.

B. Transferor Co 2:

(i) With respect to Equity Shareholders:

The Meeting of the Shareholders of the Transferor Co 2 shall be convened on 5th November, 2021 at 12:30 AM at 806, Siddharth 96, Nehru Place, New Delhi-110019 through Video Conferencing or as per the extant Regulations /Circulars of MCA including relevant Secretarial Standards. The quorum of the meeting shall be as per the number provided under Section 103 and 75% in value as provided in Section 230 (6) of the Act.

(ii) With respect to Secured Creditors:

Since it is represented that there is no Secured Creditor, the necessity of convening a meeting does not arise.

(iii) With respect to Unsecured Creditors:

It is represented that 97.7% in value of total Unsecured Creditors have given their consent affidavits in favour of the Scheme. Hence, the request for dispensing with the meeting is accepted.

CA (CAA) -90/230/232/ND/2020

C. Transferee Co:

(i) With respect to Equity Shareholders:

The Meeting of the Shareholders of the Transferee Co shall be convened on 5th November, 2021 at 3:30 PM at 806, Siddharth 96, Nehru Place, New Delhi-110019 through Video Conferencing or as per the extant Regulations /Circulars of MCA including relevant Secretarial Standards. The quorum of the meeting shall be as per the number provided under Section 103 and 75% in value as provided in Section 230 (6) of the Act.

(ii) With respect to Secured Creditors:

Since it is represented that there is no Secured Creditor, the necessity of convening a meeting does not arise.

(iii) With respect to Unsecured Creditors:

The Meeting of the Unsecured Creditors of the Transferee Co shall be convened on 5th November, 2021 at 2:30 PM at 806, Siddharth 96, Nehru Place, New Delhi-110019 through Video Conferencing or as per the extant Regulations/Circulars of MCA including relevant Secretarial Standards. The quorum of the meeting shall be as per the number provided under Section 103 and 75% in value as provided in Section 230 (6) of the Act.

D. The Petitioner Cos may organize the aforementioned meetings with remote e-voting facility if needed, or in person in strict compliance with the circulars/guidelines issued by the Ministry of Corporate Affairs (MCA) and other Rules/Regulations in this regard.

E. Mr. Pushpendra Surana CA (Email: psurana@suranaca.com) is appointed as the common Chairperson and Mr. Suman Kumar Verma CA (Email: ipskverma@gmail.com) is appointed as the Alternate Chairperson and Mr Ramkripal Sharma, CS (Email: iprksharma@gmail.com) is appointed as common Scrutinizer for the aforementioned meetings as directed to be convened.

F. In case the quorum as noted above for the meetings are not present at the meetings in the first round, the meetings shall be adjourned by half an hour, and thereafter the persons present, and voting shall be deemed to constitute the quorum; however, the requirement of Section 230 (6) of the Act shall be complied with regard to agreement to the Scheme by

CA (CAA) -90/230/232/ND/2020

majority of persons representing 75% in value. For the purpose of computing the quorum, the valid proxy shall also be considered, if the proxy in the prescribed Form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the Petitioner Cos at least 48 hours before the meetings. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained.

G. The fee of the Chairperson for the aforesaid meetings shall be Rs 50,000 and the fee of the Alternate Chairperson shall be Rs 40,000. The fee of the Scrutinizer shall be Rs 40,000. All these fees will be in addition to incidental expenses. The Chairperson will file reports within a week from the date of holding of the meetings.

H. **Individual notices** of the meetings shall be sent by the Petitioner Cos through **speed post and email**, 30 days in advance of the date of meetings, indicating the day, date, place, and the time, together with a copy of Scheme and explanatory statement etc., required to be sent under the Act and relevant Rules. The prescribed Form of proxy shall also be sent, along with any other document as may be prescribed under the Act or Rules.

I. The Petitioner Cos shall publish advertisement at least 30 days before the date of meetings in the Form prescribed, indicating the day, date, time and place, to be published in Delhi editions of 'Business Standard' both English and Hindi stating that the copies of Scheme, the explanatory statement required to be furnished pursuant to Section 230 of the Act and the Form of proxy shall be provided free of charge at the registered offices of the Petitioner Cos. Such publication will also serve the purpose of notice to small creditors having outstanding amount below Rs 1.00 lakh each to whom the individual notices are not being sent. Voting shall be allowed on the proposed Scheme by Video Conferencing or in person or by proxy, through postal ballot as may be applicable for the respective meetings of the Petitioner Cos under the Act, Rules and circulars/guidelines issued by the MCA framed there under.

J. In addition to the public notice, the Petitioner Cos are **also directed to** serve the notice of the Application by all modes (**Email, Speed Post etc.**) in Forms prescribed under the Act/ relevant Rules on the following Authorities:

CA (CAA) -90/230/232/ND/2020

- Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs at MCA, B-2 Wing, 2nd Floor, Paryavaran Bhavan, CGO Complex, New Delhi-1100 03; Email: rd.north@mca.gov.in
- Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs at 4th Floor, IFCI Tower, 61 Nehru place, New Delhi-110019; Email: roc.delhi@mca.gov.in
- Income Tax Department, at DCIT (HC Cell), Lawyer's Chamber Block No.1, Room 428, Delhi High Court, New Delhi-110503; Email: delhi.dcit.judicial.hc@incometax.gov.in
- Official Liquidator attached to the High Court of Delhi at Lok Nayak Bhavan, 8th Floor, Khan Market, New Delhi-110001 Email: ol.delhi@mca.gov.in
- SEBI at NBCC Complex, Office Tower-1, 8th Floor, Plate B, East Kidwai Nagar, New Delhi - 110023, Email: sebinro@sebi.gov.in
- Such other Sectoral Regulatory Authorities who are likely to be affected by the Scheme within 7 days from the date of this order. The said authorities are directed to send their representations if any, within 30 days from the date of receipt of such notice as per the provisions of sub-section 5 of Section 230 of the Act.

K. Further, notices shall also be served to the Objectors or to their representative, if any, as contemplated under Sub-Section (4) of Section 230 of the Act who may have made representations and who have desired to be heard in their representations along with a copy of the Petition and the Annexures filed therewith at least 15 days before the date fixed for hearing.

L. The authorized representative of the Petitioner Cos shall furnish an affidavit of service of notices of meetings and publication of advertisement and compliance of all directions contained herein or as provided under Act/ Rules/ Circulars at least a week before the proposed meetings.

M. If any affidavit annexed with the Petition is found to be false/ dubious at any stage, necessary action for committing fraud under Section 447 and 448 of the Act shall be initiated against the Petitioners and all its Directors for punishment under Section 449 of the Act.

CA (CAA)-90/230/232/ND/2020

N. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including Forms and Formats contained in the Rules as well as the provisions of the Act by the Petitioners.

15. Further, the **Registry is directed** to serve notices to the above-mentioned statutory authorities [para 14(J)] through email.

16. The Applications CA (CAA)-90 (ND) of 2020 stands **allowed** to the extent as stated above and on the aforesaid terms.

-Sd/-
(K. K. VOHRA)
MEMBER (T)

-Sd/-
(P.S.N PRASAD)
MEMBER (J)

FREE OF COST COPY

20.9.2021
Deputy Registrar
National Company Law Tribunal
CGO Complex, New Delhi-110003

CA (CAA) -90/230/232/ND/2020

THE NATIONAL COMPANY LAW TRIBUNAL, COURT-V, NEW DELHI
Company Application No. CA (CAA) -**90**/230/232/ND/2020

U/S 230-232 and other applicable provisions of the Companies Act, 2013

Item 512 of 09.09.21

In the Matter of:
Digilife Distribution and Marketing Services Limited
806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferor Company- 1

And

HCL Learning Limited
806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferor Company- 2

With

HCL Infosystems Limited
806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferee Company

Order Delivered on **24.09.2021**

Coram:
Hon'ble P.S.N Prasad, Member (J)
Hon'ble K.K. Vohra, Member (T)

Present:
For the Petitioners: Advs Mahesh Agarwal, Rishi Agarwal, Rajeev Kumar

Rectification of Order dated 17.9.21

In exercise of the powers conferred under Rule 154 of NCLT Rules, 2016, the Order dated 17.09.21 is rectified as follows:

1. In Line 5 of Para 14 A (i) and (iii) line 5 "and 75% in value as provided in Section 230 (6) of the Act" is **deleted**.

2. In Line 5 of Para 14 B (i) and of Para 14 (C) (i), (iii) line 5 "and 75% in value as provided in Section 230 (6) of the Act" is **deleted**.

3. The Para 14 H, is **replaced with** following para "Individual notices for meetings of Unsecured Creditors and Shareholders shall be sent by the Petitioner Cos through

Speed post or Email, together with any other documents applicable as per provisions of law/relevant Rules/Circulars"

14 th
4. Para F line 5, the following **may be added** "For the purpose of computing the quorum, the valid proxy shall also be considered as per applicable Rules/Regulations/Circulars of MCA."

The Order dated 17.09.21 is rectified to the extent as stated above.

Sd/-
(K. K. VOHRA)
MEMBER (T)

Sd/-
(P.S.N PRASAD)
MEMBER (J)

IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI
COURT-V
(Special Bench)

Item No.-102
CA(CAA No) No- 90/230/232/ND/2020
New CA/463/2021

IN THE MATTER OF:
Digilife Distribution and Marketing Service Ltd. And HCL Infosystems Pvt. Ltd. **....Applicant**

SECTION
U/s 230-232 **Order delivered on 07.10.2021**

CORAM:
SHRI P.S.N PRASAD,
HON'BLE MEMBER (JUDICIAL)

SHRI K.K. VOHRA,
HON'BLE MEMBER (TECHNICAL)

PRESENT:
For the Applicant : Rajeev Kumar Adv for Applicants
For the Respondent :

ORDER

CA/463/2021

This is an application filed under Rule 11 of NCLT Rules, 2016 seeking for extension of the date of meeting as fixed by the Tribunal vide order dated 17.09.2021 to convene the meetings of the equity shareholders and unsecured creditors.

We have heard the submissions made by the counsel for the applicant. The applicant has prayed for extending the date of meetings from 05.11.2021 to 30.11.2021 or any other date as the Tribunal may deem fit, so that the applicant gets sufficient time so as to give 30 clear days' notices to all the equity shareholders. Prayer is allowed. The date of meeting is extended from 05.11.2021 to 30.11.2021 and the petitioners are directed to take necessary steps as per law.

Application allowed. IA stands closed.

Sd/-

(K.K. VOHRA)
MEMBER (T)

Sd/-

(P.S.N PRASAD)
MEMBER (J)

Khushboo

HCL INFOSYSTEMS LTD.
Corporate Office: E-4, Sector 11, NOIDA 201 301, U.P., India
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.com
www.hcl.com

8th September, 2020

To

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

Sub: Intimation Under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulation")

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

Dear Sir / Madam,

We hereby inform you that the Board of Directors in their meeting held on 06 August 2020 have approved Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited (**"DDMS"** or **"Transferor Company 1"**) and HCL Learning Limited (**"Transferor Company 2"**), wholly owned subsidiaries of the Company with HCL Infosystems Limited (**"Transferee Company"**), subject to the approvals of National Company Law Tribunal, shareholders and creditors of the Company and such other approvals as may be required in this regard.

The Provision of Regulation 37 of the Listing Regulations are not applicable to schemes which solely provide for merger of a wholly owned subsidiary with its holding company. Hence "No Objection Letter" or "Observation Letter" on the Scheme is not required to be obtained from the Stock Exchanges on which equity shares of the Company are listed.

However, in accordance with the provisions of Regulation 37(6) of the Listing Regulations read with the provisions of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017 and CFD/DIL3/CIR/2018/2 dated 3rd January 2018, such draft scheme shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites.

Accordingly, we are enclosing the following documents for the purpose of disclosure and dissemination to the website:

a) Certified true copy of Board of Director's resolution approving the draft scheme of amalgamation of DDMS and HCL Learning Limited with their holding company i.e. HCL Infosystems Limited.
b) Certified true copy of scheme of amalgamation of DDMS and HCL Learning Limited with their holding company, HCL Infosystems Limited.

This is for your information and record please.

Thanking You,
Very Truly Yours,
For HCL Infosystems Limited

HCL INFOSYSTEMS LIMITED

Sushil Kumar Jain
Company Secretary & Compliance Officer

HCL

Annexure-IV

digi Life

Distribution and Marketing Services Ltd.
A Subsidiary of HCL Infosystems Ltd.

Corporate Office: A-11, First Floor, Sector – 3, Noida – 201301
Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791
Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi – 110019, India
Corporate Identity Number: U72900DL2008PLC176605
www.hclinfosystems.in

Report as per the provisions of Section 232(2)(c) of the Companies Act, 2013

A meeting of Board of Directors of Digilife Distribution and Marketing Services Limited was held on August 05, 2020 through video conferencing wherein the board approved the Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of Companies Act, 2013.

In terms of Section 232(2)(c) of the Companies Act, 2013 ("the Act"), a report from the board of Digilife Distribution and Marketing Services Limited explaining the effect of the scheme on each class of creditors, shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice to shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.

1. Shareholders

- Digilife Distribution and Marketing Services Limited is a wholly owned subsidiary of HCL Infosystems Limited.
- Accordingly, upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited in HCL Infosystems Limited, all the equity shares held by HCL Infosystems Limited and its nominees in the Digilife Distribution and Marketing Services Limited shall stand cancelled and extinguished as on Appointed Date. There will be no issue and allotment of equity shares of HCL Infosystems Limited upon the Scheme being effective.
- Therefore, there would not be any dilution of shareholding of HCL Infosystems Limited and the interest of shareholders (Promoters as well as Non-Promoters) of the company remains unaffected.

2. Creditors

- The companies do not have any secured creditors.
- Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited in HCL Infosystems Limited the unsecured creditors of Digilife Distribution and Marketing Services Limited will become unsecured creditors of HCL Infosystems Limited.
- Accordingly, the Scheme will not have any adverse effect on the unsecured creditors of Digilife Distribution and Marketing Services Limited.

Corporate Office: A-11, First Floor, Sector - 3, Noida - 201301
Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791
Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi - 110019, India
Corporate Identity Number: U72200DL2000PLC175605
www.hclinfosystems.in

3. Key managerial Personnel

- The proposed Scheme would not impact key managerial personnel since the Scheme is between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their shareholders and creditors, except to the extent of their shareholdings. As discussed above, there is no effect of the proposed Scheme on shareholders of these companies since no shares are proposed to be issued pursuant to the Scheme.

4. Adoption of the report by board of directors of Digilife Distribution and Marketing Services Limited

The board of directors of Digilife Distribution and Marketing Services Limited has adopted this report after noting and considering the information set forth in this report.

For and on behalf of Board of Directors of Digilife Distribution and Marketing Services Limited

Name: Pawan Kumar Danwar
Designation: Director
DIN: 06847503
Address: 17-A Dhruva Appartments
Plot No. 43 Sector 13 Rohini
New Delhi 110085.

HCL LEARNING LIMITED
(A subsidiary of HCL INFOSYSTEMS LTD.)
Corporate Office: A-11, Sector 3, NOIDA 201 301, U.P., India
Tel: +91 120 2520977 Fax: +91 2523791
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.
Corporate Identity Number - U80900DL2012PLC242907
www.hclinfosystems.in

Report as per the provisions of Section 232(2)(c) of the Companies Act, 2013

A meeting of Board of Directors of HCL Learning Limited was held on August 05, 2020 through video conferencing wherein the board approved the Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of Companies Act, 2013.

In terms of Section 232(2)(c) of the Companies Act, 2013 ("the Act"), a report from the board of HCL Learning Limited explaining the effect of the scheme on each class of creditors, shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice to shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.

1. Shareholders

- HCL Learning Limited is a wholly owned subsidiary of HCL Infosystems Limited.
- Accordingly, upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of HCL Learning Limited in HCL Infosystems Limited, all the equity shares held by HCL Infosystems Limited and its nominees in the HCL Learning Limited shall stand cancelled and extinguished as on Appointed Date. There will be no issue and allotment of equity shares of HCL Infosystems Limited upon the Scheme being effective.
- Therefore, there would not be any dilution of shareholding of HCL Infosystems Limited and the interest of shareholders (Promoters as well as Non-Promoters) of the company remains unaffected.

2. Creditors

- The companies do not have any secured creditors.
- Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of HCL Learning Limited in HCL Infosystems Limited the unsecured creditors of HCL Learning Limited will become unsecured creditors of HCL Infosystems Limited.
- Accordingly, the Scheme will not have any adverse effect on the unsecured creditors of HCL Learning Limited.

3. Key managerial Personnel

- The proposed Scheme would not impact key managerial personnel since the Scheme is between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their shareholders and creditors, except to the extent of their shareholdings. As discussed above, there is no effect of the proposed Scheme on shareholders of these companies since no shares are proposed to be issued pursuant to the Scheme.

4. Adoption of the report by board of directors of HCL Learning Limited

The board of directors of HCL Learning Limited has adopted this report after noting and considering the information set forth in this report.

For and on behalf of Board of Directors of HCL Learning Limited

Name: Dilip Kumar Srivastava
Designation: Director
(DIN: 06847137)
Address: 241, Deerwood Chase,Nirvana Country Sector 50, Islampur(97),South City-Ii Gurgaon 122018 Hr In

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Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.
Corporate Identity Number - L72200DL1986PLC023955
www.hclinfosystems.in
www.hcl.com

Board Report

A meeting of Board of Directors of HCL Infosystems Limited was held on August 06, 2020 through video conferencing wherein the board approved the Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of Companies Act, 2013.

In terms of Section 232(2)(c) of the Companies Act, 2013 ("the Act"), a report from the board of HCL Infosystems Limited explaining the effect of the scheme on each class of creditors, shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice to shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.

1. Shareholders

- Digilife Distribution and Marketing Services Limited and HCL Learning Limited are wholly owned subsidiaries of HCL Infosystems Limited.
- Accordingly, upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited and HCL Learning Limited in HCL Infosystems Limited, all the equity shares held by HCL Infosystems Limited and its nominees in these companies shall stand cancelled and extinguished as on Appointed Date. There will be no issue and allotment of equity shares of HCL Infosystems Limited upon the Scheme being effective.
- Therefore, there would not be any dilution of shareholding of HCL Infosystems Limited and the interest of shareholders (Promoters as well as Non-Promoters) of the company remains unaffected.

2. Creditors

- The companies do not have any secured creditors.
- Upon the Scheme being sanctioned by the Hon'ble National Company Law Tribunal, New Delhi, and on transfer and vesting of undertaking of Digilife Distribution and Marketing Services Limited and HCL Learning Limited in HCL Infosystems Limited the unsecured creditors of HCL Infosystems Limited shall remain the unsecured creditors of HCL Infosystems Limited.
- Accordingly, the Scheme will not have any adverse effect on the unsecured creditors of HCL Infosystems Limited.

HCL INFOSYSTEMS LTD.
Corporate Office: A-11, Sector 3, NOIDA 201 301, U.P., India
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

3. Key managerial Personnel

- The proposed Scheme would not impact key managerial personnel since the Scheme is between Digilife Distribution and Marketing Services Limited, HCL Learning Limited and HCL Infosystems Limited and their shareholders and creditors, except to the extent of their shareholdings. As discussed above, there is no effect of the proposed Scheme on shareholders of these companies since no shares are proposed to be issued pursuant to the Scheme.

4. Adoption of the report by board of directors of HCL Infosystems Limited

The board of directors of HCL Infosystems Limited has adopted this report after noting and considering the information set forth in this report.

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

Name: Pawan Danwar
Designation: Director
(DIN: 06847503)
Address: 17-A Dhruva Appartments
Plot No. 43 Sector 13 Rohini
New Delhi 110085.

HCL

B S R & Associates LLP
Chartered Accountants

Building No.10,12th Floor Tower-B
DLF Cyber City, Phase-II
Gurugram – 122 002, India

Telephone: +91 124 7191000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of Digilife Distribution and Marketing Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone financial statements of Digilife Distribution and Marketing Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2021 , and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 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 2021 , and loss and other comprehensive income, 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

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 financial statements and our auditors' 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

Management's and Board of Directors' Responsibility 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 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 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 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 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 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 in the standalone financial statements 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 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 28 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021 .

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the Company has not paid any remuneration to its directors during the year. The remuneration to any director is paid by HCL Infosystems Limited ('Holding Company') The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABE7367

Place: New Delhi
Date :24-June-2021

Annexure A referred to in our Independent Auditor's Report to the members of Digilife Distribution and Marketing Services Limited on the financial statements for the year ended 31 March 2021

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified by the management in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no physical verification was required as per the aforesaid phased programme.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

(ii) The physical verification of inventory have been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, service tax and duty of customs and Good and Service Tax as at 31 March 2021 which have not been deposited on account of a dispute. The particulars of sales tax and other material statutory dues as at 31 March 2021 which have not been deposited on account of a dispute, are as follows:

Name of Statue	Nature of Dues	Demand raised (in lacs)	Amount deposited (in lacs)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax (Chhattisgarh)	9.59	-	2012-13	Commercial Tax Officer - Raipur
Central Sales Tax Act, 1956	Central Sales Tax (Delhi)	29.04	3.40	2011-12, 2012-13	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956	Central Sales Tax (Delhi)	20.42	-	2013-14	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956	Central Sales Tax (Haryana)	0.45	-	2013-14	Excise & Taxation officer, Haryana
Central Sales Tax Act, 1956	Central Sales Tax (Jharkhand)	0.71	-	2011-12	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax (Maharashtra)	3.93	-	2013-14	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax (Rajasthan)	20.49	1.30	2012-13 to 2014-15	Assistant Commissioner of Commercial tax, Jaipur
Central Sales Tax Act, 1956	Central Sales Tax (Uttar Pradesh)	9.22	3.20	2011-12 and 2012-13	Additional Commissioner (Appeals) of Commercial Tax Noida
Central Sales Tax Act, 1956	Central Sales Tax (Assam)	1.63	0.41	2013-14	Office of Assistant Commercial Tax - Assam
Central Sales Tax Act, 1956	Central Sales Tax (Karnataka)	5.29	1.59	2014-15	Assistant Commissioner of commercial tax
Central Sales Tax Act, 1956	Central Sales Tax (Telangana)	0.78	-	2013-14	Commercial Tax Officer - Hyderabad
Central Sales Tax Act, 1956	Central Sales Tax (Uttar Pradesh)	0.88	0.88	2015-16	Additional Commissioner (Appeals) of Commercial Tax Noida
Delhi Value Added Tax Act-2004	Sales Tax	1.29	-	2010-11	Department of Trade & Taxes - Delhi
Entry Tax Act, 1976, Chhattisgarh	Entry Tax	0.22	-	2012-13	Commercial Tax Officer - Raipur
Karnataka Value Added Tax Act,2003	Sales Tax	44.47	31.90	2014-15	Assistant Commissioner of commercial tax

Name of Statue	Nature of Dues	Demand raised (in lacs)	Amount deposited (in lacs)	Period to which amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	Sales Tax	1.18	1.18	2015-16	Commercial Tax Officer
Kerala Value Added Tax Act, 2003	Sales Tax	4.32	0.22	2011-12, 2014-15, 2015-16	Deputy Commissioner Commercial Tax, Kochi
Maharashtra Value Added Tax Act, 2002	Sales Tax	582.95	41.71	2012-13 to 2014-15	Joint Commissioner Appeal
Rajasthan Value Added Tax Act-2003	Sales Tax	15.60	-	2013-14 and 2016-17	Commercial Tax Officer, Jaipur, Rajasthan
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	4.05	9.27	2009-10 to 2013-14	Deputy Commissioner (Appeals) of Sales Tax Chennai
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	14.02	5.72	2010-11 to 2013-14	Deputy Commissioner (ST)(FAC) Chennai
Telangana Value Added Tax Act, 2005	Sales Tax	19.06	2.89	2014-18	Deputy Commissioner, Telangana
U.P.Value Added Tax Act-2008	Sales Tax	87.15	20.90	2012-13 and 2014-15	Additional Commissioner (Appeals) of Commercial Tax Noida
U.P.Value Added Tax Act-2008	Sales Tax	15.48	5.26	2013-14	Commercial Tax Tribunal
U.P.Value Added Tax Act-2008	Sales Tax	5.70	3.12	2015-16	The Assistant/ Deputy Commissioner (Appeals), Uttar Pradesh
Central Sales Tax Act, 1956	Central Sales Tax (Delhi)	1.17	-	2014-15,15-16	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956*	Central Sales Tax (Delhi)	0.00	-	2009-10	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956*	Central Sales Tax (Gujarat)	0.00	-	2017-18	Assistant Commissioner of State Tax
Gujarat Value Added Tax Act, 2003	Sales Tax	0.02	-	2017-18	Assistant Commissioner of State Tax
The Central Sales Tax Act, 1956*	Central Sales Tax (Kerala)	0.00	-	2013-14	Deputy Commissioner Commercial Tax, Kerala
The Central Sales Tax Act, 1956*	Central Sales Tax (Madhya Pradesh)	0.00	0.27	2012-13	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax (Maharashtra)	52.30	-	2015-16	Joint Commissioner Appeal

Name of Statue	Nature of Dues	Demand raised (in lacs)	Amount deposited (in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax (Odisha)	0.49	0.14	2014-15	Assessing Officer, Sales Tax (Bhubaneswar)
Central Sales Tax Act, 1956	Central Sales Tax (Rajasthan)	23.55	-	2013-14 to 2016-17	Assistant Commissioner of Commercial tax, Jaipur
The Central Sales Tax Act, 1956	Central Sales Tax (Telangana)	0.01	-	2016-17	Deputy Commercial Tax Officer, Telangana
The Central Sales Tax Act, 1956	Central Sales Tax (Uttar Pradesh)	8.63	-	2016-17 and 2017-18	Additional Commissioner (Appeals) of Commercial Tax Noida
Goa Value Added Tax Act.	Sales Tax	0.32	-	2012-13	Commissioner Appeals
Jharkhand Value Added Tax Act,2005	Sales Tax	3.04	-	2011-12	Joint Commissioner Appeal
M.P. Value Added Tax Act 2002	Sales Tax	5.28	1.75	2013-14	Joint Commissioner Appeal
M.P. Value Added Tax Act 2002	Sales Tax	61.60	1.23	2016-17	Commissioner Sales Tax
Orissa Value Added Tax Act, 2004	Sales Tax	0.10	-	2014-15	STO (Bhubaneswar)
U.P Value Added Tax Act-2008	Sales Tax	5.18	-	2016-17, 2017-18	STO (UP)
The Uttaranchal Value Added Tax Act-2005	Sales Tax	0.02	-	2016-17	Assistant Commissioner, Commercial Taxes
Delhi Value Added Tax Act-2004	Sales Tax	13.15	-	2013-14	Deputy Commissioner (Appeals) of Sales Tax Delhi

* Represents demand below Rs one lac.

As explained to us, the Company did not have any dues on account of duty of excise.

(viii) According to the information and explanations given to us, the Company doesn't have any loans or borrowings from any bank or financial institution. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2021. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised any moneys by way of term loans. Also, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) As the Company is the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABE7367

Place: New Delhi
Date :24-June-2021

Annexure B to the Independent Auditors' report on the standalone financial statements of Digilife Distribution and Marketing Services Limited for the period ended 31 March 2021.

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)(f) 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 financial statements of Digilife Distribution and Marketing Services Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the 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 financial statements and such internal financial controls were operating effectively as at 31 March 2021,based on the internal financial controls with reference to 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 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 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 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 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 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Registration No.:116231W/W-100024

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABE7367

Place: New Delhi
Date :24-June-2021

Digilife Distribution and Marketing Services Limited
Balance Sheet as at March 31, 2021

	Notes	As at 31.03.2021 ₹/Lacs		As at 31.03.2020 ₹/Lacs	
I. ASSETS					
Non-current assets					
Property, plant and equipment	3(a)	-		-	
Right of use assets	3(b)	-		-	
Financial Assets					
(i) Others financial assets	4	87.76		-	
Advance income tax (net)	5	112.84		114.55	
Other non-current assets	6	221.56	422.16	242.68	357.23
Current assets					
Inventories	7	-		29.12	
Financial assets					
(i) Trade receivables	8	-		12.20	
(ii) Cash and cash equivalents	9	29.68		58.81	
(iii) Bank balances other than (ii) above	10	-		82.31	
(iv) Other financial assets	11	-		8.84	
Other current assets	12	14.70	44.38	492.56	683.84
Total Assets			466.54		1,041.07
II. EQUITY AND LIABILITIES					
Equity					
Equity share capital	13	5,605.00		5,605.00	
Other equity	14	(5,711.10)	(106.10)	(5,650.96)	(45.96)
Liabilities					
Non-current liabilities					
Provisions	15		-		0.41
Current liabilities					
Financial liabilities					
(i) Borrowings	16	425.99		-	
(ii) Trade payables	17				
(a) Total outstanding dues of micro enterprises and small enterprises		-		-	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		90.96		977.07	
(iii) Other financial liabilities	18	2.64		5.77	
Other current liabilities	19	5.58		85.96	
Provisions	20	47.48	572.65	17.82	1,086.62
Total Equity and Liabilities			466.54		1,041.07
Significant Accounting Policies	2				

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

For and on behalf of the Board of Directors
Digilife Distribution and Marketing Services Limited

Dilip Kumar Srivastava
Managing Director
DIN - 06847137

Pawan Kumar Danwar
Director
DIN - 06847503

Gaurav Bhalla
Chief Financial Officer

Gunjan Khanna
Company Secretary

Noida, June 24, 2021

Digilife Distribution and Marketing Services Limited
Statement of Profit and Loss for the period ended March 31,2021

	Notes		Year ended 31.03.2021 ₹/Lacs		Year ended 31.03.2020 ₹/Lacs
Income :					
Revenue from operations	21		1,273.35		2,262.98
Other income	22		159.45		70.11
Total Income			1,432.80		2,333.09
Expenses :					
Purchases of stock-in-trade			1,010.80		1,567.06
Changes in inventories of stock-in-trade	23		29.12		333.58
Other direct expense	24		0.18		12.17
Employee benefits expense	25		8.25		56.22
Finance costs	26		3.55		6.12
Depreciation and amortization expense	3(a), 3(b)		-		7.61
Other expenses	27		431.75		303.88
Total expenses			1,483.65		2,286.64
Profit/(loss) before exceptional items and tax			(50.85)		46.45
Exceptional Items			-		-
Profit/(loss) before tax			(50.85)		46.45
Income tax expense: (refer note 36)					
- Current tax		9.29		8.12	
-Deferred tax		-	9.29	117.33	125.45
Loss for the year			(60.14)		(79.00)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain/(loss) on remeasurement of defined benefit plan		-		0.76	
Less: Income tax relating to items that will not be reclassified to profit or loss		-			
B (i) Items that will be reclassified to profit or loss		-		-	
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	0.76
Total comprehensive loss for the year			(60.14)		(78.24)
Earnings per share (in ₹)	29				
(i) Basic (of ₹ 10/- each)			(0.11)		(0.14)
(ii) Diluted (of ₹ 10/- each)			(0.11)		(0.14)

Significant Accounting Policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

Sandeep Batra
Partner
Membership Number – 093320

New Delhi, June 24, 2021

For and on behalf of the Board of Directors
Digilife Distribution and Marketing Services Limited

Dilip Kumar Srivastava
Managing Director
DIN - 06847137

Pawan Kumar Danwar
Director
DIN - 06847503

Gaurav Bhalla
Chief Financial Officer

Gunjan Khanna
Company Secretary

Noida, June 24, 2021

Digilife Distribution and Marketing Services Limited
Cash Flow Statement for the period ended March 31,2021

			Year ended 31.03.2021 ₹/Lacs		Year ended 31.03.2020 ₹/Lacs
1. Cash Flow from Operating Activities:					
Profit/(loss) before tax			(50.85)		46.45
Adjustments for:					
Depreciation and amortisation expense		-		7.61	
Finance cost		3.55		6.12	
Interest income		(6.19)		(38.32)	
Net profit on sale of property, plant & equipment		(0.03)		-	
Deposit/advances written off		-		11.65	
Provision for doubtful debts		0.26		0.07	
Provision for doubtful loans and advances and other current assets		55.65		-	
Gain / loss on foreign exchange fluctuation		(0.61)		1.32	
Provisions for other current assets		331.88		-	
Provisions/liabilities no longer required written back		(145.62)	238.89	(10.56)	(22.11)
Operating profit before changes in operating assets and liabilities			188.04		24.34
Changes in operating assets and liabilities:					
- Decrease in trade receivables		11.94		143.25	
- Decrease/(increase) in current other assets		99.17		349.64	
- Increase in non current other assets		21.12		(7.17)	
- Decrease in inventories		29.12		393.58	
- Decrease in current liabilities		(793.74)		(1,430.22)	
- (Decrease)/ increase in non current liabilities		(0.41)	(632.80)	(0.34)	(611.26)
Net cash (used in) / generated from operating activities			(444.76)		(586.92)
- Taxes received /(paid) (net)			(7.58)		95.09
Net cash (used in)/generated from operating activities	(A)		(452.34)		(491.83)
2. Cash flow from Investing Activities:					
Interest received		6.19		38.32	
Proceeds from sale of fixed assets		0.03		-	
Redemption in margin money account		(5.45)	0.77	69.63	107.95
Net cash generated from investing activities	(B)		0.77		107.95
3. Cash Flow from Financing Activities:					
Proceeds from short term borrowings		593.00		-	
Lease obligation paid		-		(7.57)	
Repayment of short term borrowings		(170.29)		(0.15)	
Interest paid		(0.27)	422.44	(6.12)	(13.84)
Net cash used in financing activities	(C)		422.44		(13.84)
Net (decrease) / increase in cash and cash equivalents	(A+B+C)		(29.13)		(397.72)
Opening balance of cash and cash equivalents			58.81		456.53
Closing balance of cash and cash equivalents			29.68		58.81
Cash and cash equivalents comprise of					
Balances with banks in current accounts			29.68		58.81

Notes:
Figures in brackets indicate cash outflow.

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
Firm Registration Number-116231W/W-100024

Sandeep Batra

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

For and on behalf of the Board of Directors
Digilife Distribution and Marketing Services Limited

Dilip Kumar Srivastava
Managing Director
DIN - 06847137

Pawan Kumar Danwar
Director
DIN - 06847503

Gaurav Bhalla
Chief Financial Officer

Gunjan Khanna
Company Secretary

Noida, June 24, 2021

Digilife Distribution and Marketing Services Limited
Statement of Changes in Equity for the period ended March 31,2021

a. Equity Share Capital

₹/Lacs

	Number of equity shares	Equity share capital
Balance as at 01.04.2019	56,050,000	5,605.00
Balance as at 31.03.2020	56,050,000	5,605.00
Balance as at 01.04.2020	56,050,000	5,605.00
Balance as at 31.03.2021	56,050,000	5,605.00

b. Other Equity

₹/Lacs

Particulars	Retained Earnings	Total
Balance as at 01.04.2019	(5,572.72)	(5,572.72)
Loss for the year	(79.00)	(79.00)
Other comprehensive income for the year	0.76	0.76
Balance as at 31.03.2020	(5,650.96)	(5,650.96)
Balance as at 01.04.2020	(5,650.96)	(5,650.96)
Loss for the year	(60.14)	(60.14)
Other comprehensive income for the year	-	-
Balance as at 31.03.2021	**(5,711.10)**	**(5,711.10)**

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

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

Sandeep Batra
Partner
Membership Number – 093320

New Delhi, June 24, 2021

For and on behalf of the Board of Directors
Digilife Distribution and Marketing Services Limited

Dilip Kumar Srivastava
Managing Director
DIN - 06847137

Pawan Kumar Danwar
Director
DIN - 06847503

Gaurav Bhalla
Chief Financial Officer

Gunjan Khanna
Company Secretary

Noida, June 24, 2021

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

1. Corporate information

Digilife Distribution and Marketing Services Limited ('the Company') is domiciled and incorporated 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 24.06.2021.

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 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 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, 2020.

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.

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Digilife Distribution and Marketing Services Limited

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's 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 and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Company 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 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 accounts receivable and advances

Trade receivables 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.

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.

Digilife Distribution and Marketing Services Limited

2.6 Property, plant and equipment

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.

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 (other than goodwill) are amortised at straight line basis as follows:

Software	1-5 years

Digilife Distribution and Marketing Services Limited

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

Digilife Distribution and Marketing Services Limited

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.

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 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

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Marketing Services Limited

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

Digilife Distribution and Marketing Services Limited

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 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 asset 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

Stock-in-trade is stated at the lower of cost and net realisable value.

Cost of stock-in-trade comprises cost of purchases. Costs 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.

2.12 Cash and cash equivalents

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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.

2.13 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.

2.14 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

Digilife Distribution and Marketing Services Limited

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.

2.15 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.

2.16 Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of 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

Digilife Distribution and Marketing Services Limited

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.

2.17 Revenue recognition

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

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

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.

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.

Gurugram

Digilife Distribution and Marketing Services Limited

2.18 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 holding 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 holding 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

Gurugram

Digilife Distribution and Marketing Services Limited

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.

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed 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.

2.20 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.

Gurugram

Digilife Distribution and Marketing Services Limited

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

3 (a). Property, plant and equipment

The changes in carrying value of property, plant and equipment

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 31.03.2021
Office equipment	0.38	-	-	0.38	0.38	-	-	0.38	-
Total	**0.38**	-	-	**0.38**	**0.38**	-	-	**0.38**	-

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2020
Office equipment	0.49	-	0.11	0.38	0.45	0.04	0.11	0.38	-
Total	**0.49**	-	**0.11**	**0.38**	**0.45**	**0.04**	**0.11**	**0.38**	-

3 (b) Right of use assets

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 31.03.2021
Right of use assets	7.57	-	-	7.57	7.57	-	-	7.57	-
Total	7.57	-	-	7.57	7.57	-	-	7.57	-

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2020
Right of use assets	-	7.57	-	7.57	-	7.57	-	7.57	-
Total	-	7.57	-	7.57	-	7.57	-	7.57	-

Digilife Distribution and Marketing Services Limited

Notes to the Financial Statements

	As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
4 Other non-current financial assets		
Considered Good		
Balance with bank- margin money	87.76	-
	87.76	-

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		As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
5	**Advance income tax asset (net of provisions)**		
	Advance income tax [Provision for income tax of ₹ 136.81 lacs (2020 - ₹ 127.52 lacs)]	112.84	114.55
	TOTAL	112.84	114.55
6	**Other non-current assets**		
	Unsecured, considered good		
	Balances with government authorities	221.56	242.68
	TOTAL	221.56	242.68
7	**Inventories**		
	Stock-in-trade [including goods-in-transit Nil (2020 - ₹ 3.45 lacs)]	-	29.12
	TOTAL	-	29.12

Write - downs of inventories to net realisable value amounts to ₹ Nil lacs (2020 - ₹ 0.26 lacs). These were included in changes in value of inventories of stock-in-trade in statement of profit and loss.

8	**Trade receivables (refer note 35)**		
	Unsecured:		
	Considered good	-	12.20
	Credit impaired	40.41	150.22
	Total	40.41	162.42
	Less: Allowance for doubtful debts	(40.41)	(150.22)
		-	12.20
9	**Cash and cash equivalents**		
	Balances with banks		
	- current account	29.68	53.87
	Cheques In Hand	-	4.94
	TOTAL	29.68	58.81
10	**Other bank balances**		
	Balances with banks - On margin account	-	82.31
	TOTAL	-	82.31

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Digilife Distribution and Marketing Services Limited

			As at 31.03.2021 ₹/Lacs		As at 31.03.2020 ₹/Lacs
11	**Other current financial assets**				
	Security deposits		-		1.23
	Others (includes employee advances and insurance claim recoverable)		-		7.61
	TOTAL		-		8.84
12	**Other current assets**				
	Unsecured				
	Considered good				
	Balances with customs, port trust, excise and sales tax, goods and services tax authorities		10.67		408.21
	Advances to creditors		2.05		83.35
	Deposits with tax authorities		-		0.87
	Prepaid expenses		1.98		0.13
	Considered doubtful				
	Deposits and other advances	-		11.64	
	Less: Allowance for doubtful other current assets	-	-	(11.64)	-
	TOTAL		14.70		492.56
13	**Share capital**				
	Authorised				
	60,000,000 Equity shares (2020 - 60,000,000) of ₹ 10/- each		6,000.00		6,000.00
	TOTAL		6,000.00		6,000.00
	Issued, Subscribed and Paid up				
	56,050,000 Equity shares of (2020 -56,050,000) ₹ 10/- each (Fully paid up)		5,605.00		5,605.00
	TOTAL		5,605.00		5,605.00

Notes:

(i) **Rights attached to Equity shares:**

The Company has only one class of equity share having a face value of ₹ 10/- 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	**As at 31.03.2021**		As at 31.03.2020	
	No. of shares	**% of shares**	No. of shares	% of shares
HCL Infosystems Limited (Holding Company)	56,049,994	99.99%	56,049,994	99.99%

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Digilife Distribution and Marketing Services Limited

Digilife Distribution and Marketing Services Limited

Notes to the Financial Statements

		As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
14	**Other equity**		
	Retained earnings		
	Opening balance	(5,650.96)	(5,572.72)
	Net loss for the year	(60.14)	(79.00)
	Other comprehensive income for the year	-	0.76
	Closing balance	(5,711.10)	(5,650.96)
	TOTAL	(5,711.10)	(5,650.96)
15	**Non-current provisions**		
	Provision for gratuity and other employee benefits (refer note 31)	-	0.41
	TOTAL	-	0.41
16	**Current borrowings**		
	Loan from related party*	425.99	-
	TOTAL	425.99	-

*Unsecured Loans from HCL Infosystems Limited, the Holding Company, amounting to ₹ 425.99 Crores (2020 - ₹ NIL) is repayable on demand and carries an interest @ 3.56% to 4.00% per annum. (refer note 35).

		As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
17	**Trade payables (refer note 35)**		
	(a) Total outstanding dues of micro enterprises and small enterprises (refer note 39) and	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	90.96	977.07
	TOTAL	90.96	977.07
18	**Other current financial liabilities**		
	Employee benefits payable	2.64	5.77
	TOTAL	2.64	5.77
19	**Other current liabilities**		
	Advances received from customers	5.04	83.91
	Statutory dues payable	0.54	2.05
	TOTAL	5.58	85.96
20	**Current provisions**		
	Provision for gratuity and other employee benefits	-	0.31
	Provision for litigation (Refer note 28(b))	47.48	17.51
	TOTAL	47.48	17.82

Digilife Distribution and Marketing Services Limited

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

		Year ended 31.03.2021 ₹/Lacs	Year ended 31.03.2020 ₹/Lacs
21	**Revenue from operations**		
	Sale of products	1,273.33	2,262.98
	Other Operating Revenue		
	- Scrap Sale	0.02	-
	TOTAL	1,273.35	2,262.98
22	**Other income**		
	Interest income from financial asset at amortised cost		
	- On fixed deposits	5.94	38.32
	- On others	0.25	-
	Net profit/(loss) on sale of property, plant & equipment	0.03	-
	Gain/(loss) on account of foreign exchange fluctuation	0.61	-
	Provisions/liabilities no longer required written back	145.62	10.56
	Miscellaneous income	7.00	21.23
	TOTAL	159.45	70.11
23	**Changes in inventories of stock-in-trade**		
	Closing balance		
	- Stock-in-trade	-	29.12
	Opening balance		
	- Stock-in-trade	29.12	362.70
	Changes in inventories of stock-in-trade	29.12	333.58
24	**Other direct expense**		
	Purchase of services	0.18	12.17
	TOTAL	0.18	12.17
25	**Employee benefits expense**		
	Salaries, wages, bonus and gratuity (refer note 31)	8.00	55.59
	Contribution to provident and other funds (refer note 31)	0.25	0.62
	Staff welfare expenses	-	0.01
	TOTAL	8.25	56.22
26	**Finance costs**		
	Interest expense on financial liabilities at amortised cost	3.55	6.12
	TOTAL	3.55	6.12
27	**Other expenses**		
	Rent (refer note 37)	12.22	44.12
	Rates and taxes	289.53	123.84
	Printing and stationery	0.09	0.66
	Communication	0.08	0.18
	Travelling and conveyance	-	0.13
	Packing, freight and forwarding	0.66	2.41
	Legal, professional and consultancy charges (refer note 30)	43.04	48.11
	Insurance	11.86	17.56
	Deposits/advances written off	-	11.65
	Bank charges	0.84	10.74
	Allowance for doubtful debts	0.26	0.07
	Allowance for doubtful loans and advances and other current assets	55.65	-
	Gain/(loss) on account of foreign exchange fluctuation	-	1.32
	Common cost allocated from HCL Infosystems Limited, the holding company	1.45	31.45
	Miscellaneous	16.08	11.64
		431.75	303.88

28 a) Contingent liabilities :

Claims against the Company not acknowledged as debts:

₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Sales tax*	1,025.33	919.23
Industrial Disputes, Civil Suits and Consumer Disputes	1.36	1.36

*Includes sum of ₹ 209.41 Lacs (as at 31.03.2020 - ₹ 177.26) deposited by the Company against the above.

The amount 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 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) Other litigations :
The Company has certain sales tax and other related litigation amounting to ₹ 47.48 lacs (2020- ₹ 17.51) against which provision have been made. Provision amounting to ₹ 30.52 lacs (2020- ₹ 17.51) was provided and provision amounting to ₹ 0.55 lacs (2020- Nil) was utilised during the year.

29 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 Company EPS represent profit/(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 31.03.2021	Year ended 31.03.2020
Loss after tax (₹ Lacs)	(60.14)	(79.00)
Weighted average number of shares considered as outstanding in computation of Basic EPS	56,050,000	56,050,000
Weighted average number of shares considered as outstanding in computation of Diluted EPS	56,050,000	56,050,000
Basic EPS (of ₹ 10/- each)	(0.11)	(0.14)
Diluted EPS (of ₹ 10/- each)	(0.11)	(0.14)

There are no dilutive equity shares as at year end.

30 Remuneration to auditors*

₹/Lacs

	Year ended 31.03.2021	Year ended 31.03.2020
a) Statutory Audit	3.00	4.50
b) Tax audit fees / Certifications	4.18	2.00
c) Out of pocket expenses	-	0.65
Total	7.18	7.15

* excluding GST as applicable

Digilife ✶ Distribution and Marketing Services Limited

31 The Company has calculated the various benefits provided to employees as under:

(a) **Defined contribution**

During the year, the Company has recognised the following amounts in the

	Year ended 31.03.2021	Year ended 31.03.2020
	₹/Lacs	
(i) Employers contribution to Employee's Pension Scheme 1995*	0.17	0.40

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Refer Note 25).

(b) **Defined benefit**

(i) Gratuity
(ii) Provident fund#

Since there was no active manpower left as at March 31, 2021, therefore in accordance with Ind AS 19, no actuarial valuation was carried out in the respect of the aforesaid defined benefit plan. However information for previous year ending as at March 31, 2020 was based on the following assumptions:

	Gratuity	
	As at 31.03.2021	As at 31.03.2020
	₹/Lacs	
Discount rate (per annum)	-	5.66
Rate of increase in compensation levels	-	5.00
Expected average remaining working lives of employees (years)	-	19.48

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.

	Gratuity	
	As at 31.03.2021	As at 31.03.2020
	₹/Lacs	
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	0.39	0.99
Current service cost	-	0.09
Interest cost	-	0.07
Total amount recognised in profit or loss	**0.39**	**1.15**
Actuarial (gain)/loss from change in demographic assumptions		(0.10)
Actuarial (gain)/loss from change in financial assumptions		0.05
Experience (gain)/loss		(0.71)
Total amount recognised in other comprehensive income	-	**(0.76)**
Benefits (paid) / adjusted	(0.39)	-
Present value of obligation at the end of the year	-	**0.39**

	Gratuity	
	Year ended 31.03.2021	Year ended 31.03.2020
	₹/Lacs	
Cost recognised for the year :		
Current service cost	-	0.09
Interest cost	-	0.07
Actuarial (gain)/loss	-	(0.76)
Net cost recognised for the year*	-	(0.60)

* 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 25) and other comprehensive income.

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

	Gratuity	
	As at 31.03.2021	As at 31.03.2020
	₹/Lacs	
Present value of the obligation as at the end of the year	-	0.39
Fair value of plan assets at the end of the year	-	-
Assets/(Liabilities) recognised in the Balance Sheet	-	(0.39)
Experience adjustment in plan liabilities	-	-
Experience adjustment in plan assets	-	-

\# In respect of certain eligible employees, the Company is participant under a provident fund plan which is administered through a multi employer trust. The participants have an obligation to make good any deficiency in the interest to be paid by the Trust to it's members and the income earned by it. Accordingly the plan is as a defined benefit plan. The trust has obtained an actuarial valuation of the Provident fund liability as at the Balance Sheet date and as per valuation report, there is no shortfall as on 31.03.2021. The valuation report contained details for the disclosure requirement of the Ind AS 19 "Employee Benefits" for the trust as a whole, however breakup into respective entities is not available and accordingly the disclosures for provident fund liability as required by Ind AS 19 "Employee Benefits has not been made in these financial statements. The Company's contribution to provident fund for the year is ₹ 0.08 Lacs (2020 - ₹ 0.22 Lacs) which has been included under Contribution to Provident and Other Funds (refer note 25).

Gurugram

Services Limited * Digilife Distribution

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

Financial Instruments and Risk Management

32 Fair value measurements
The carrying value of financial instruments by categories are as under :

₹/Lacs

Particulars	Notes	At cost	Fair value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Current assets							
(i) Trade receivables	8	-	-	-	-	-	-
		-	-	-	(12.20)	(12.20)	(12.20)
(ii) Cash and cash equivalents	9	-	-	-	29.68	29.68	29.68
		-	-	-	(58.81)	(58.81)	(58.81)
(iii) Bank balances other than (ii) above	10	-	-	-	-	-	-
		-	-	-	(82.31)	(82.31)	(82.31)
(iv) Other financial assets	11	-	-	-	-	-	-
		-	-	-	(8.84)	(8.84)	(8.84)
		-	-	-	29.68	29.68	29.68
		-	-	-	(162.16)	(162.16)	(162.16)
Financial liabilities							
Current liabilities							
(i) Borrowings	16	-	-	-	425.99	425.99	425.99
		-	-	-	-	-	-
(ii) Trade payables	17	-	-	-	90.96	90.96	90.96
		-	-	-	(977.07)	(977.07)	(977.07)
(iii) Other financial liabilities	18	-	-	-	2.64	2.64	2.64
		-	-	-	(5.77)	(5.77)	(5.77)
		-	-	-	519.59	519.59	519.59
		-	-	-	(982.84)	(982.84)	(982.84)

Note: Previous year figures are given in brackets.

Gurugram

Digilife Distribution and Marketing Services Limited

33 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.

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables Cash and cash equivalents Bank balances Other current assets 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 Liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities and liquid investments
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Indian rupee (₹)	Position of net foreign exchange risk based on relative assets and liabilities	Forward foreign exchange contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Replacement of high cost debt with low cost debt

The Company's risk management is carried out by the treasury & credit control department under policies approved by the senior management and Board of Directors.

Gurugram

Digilife Distribution and Marketing Services Limited

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 receivable.

Credit risk on bank balances is not significant as it majorly includes balances with bank 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 credit control department.

The Company uses a provision matrix to compute the expected credit loss for trade receivable, the provision matrix takes into consideration historical credit loss experience and other relevant available external and internal credit risk factors.

Following table agewise breakup of trade receivables:

₹/Lacs

Ageing (in days)	As at 31.03.2021	As at 31.03.2020
Not Due	-	1.80
0-90 days past due	-	-
91-180 days past due	-	-
181-365 days past due	-	-
1 - 2 years past due	-	19.29
More than 2 years past due	40.41	141.33
	40.41	**162.42**

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 of profit and loss.

The summary of life time expected credit loss allowance made on customer balnces during the year and balance at the year end is given below:

₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Opening balance	150.22	201.79
Provided during the year	0.26	0.07
Provision written back during the year	-	-
Trade receivables written off	(110.07)	(51.64)
Closing balance	**40.41**	**150.22**

Gurugram

Digilife Distribution and Marketing Services Limited

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.

₹/Lacs

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 others	**425.99**	425.99	-	-	-	-
	-	-	-	-	-	-
Trade payables	**90.96**	-	**90.96**	-	-	-
	(977.07)	-	(977.07)	-	-	-
Other financial liabilities						
-Employee benefits payable	**2.64**	-	**2.64**	-	-	-
	(5.77)	-	(5.77)	-	-	-
Total non-derivative liabilities	**519.59**	**425.99**	**93.60**	-	-	-
	(982.84)	-	(982.84)	-	-	-

Note: Previous year figures are given in brackets.

Gurugram

Digilife Distribution and Marketing Services Limited

Market risk:

Foreign currency risk

The Company's primary operations are in India and therefore, functional currency of the Company is considered as INR. 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 Finance Committee, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at 31.03.2021 expressed in INR are as follows

	USD
Financial liabilities	
Trade payables	- (18.84)
Net exposure to foreign currency risk (liabilities)	- (18.84)

Note: Previous year figures are given in brackets.

Sensitivity
The Company's foreign currency exposure as at the reporting date not being significant, hence, sensitivity analysis has not been reported.

Market risk:

Interest rate risk

The Company's main interest rate risk arise from borrowings with variable interest rates, which expose the Company to Cash flow interest rate risk. As at 31.03.2021, the Company has ₹ 425.99 Lakhs (2020- 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 group's borrowing to interest rate changes at the end of the reporting year/period are as follows:

₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Variable rate borrowings	425.99	-
Fixed rate borrowings	-	-
Total borrowings	425.99	-

As at the end of the reporting period, the company had the following variable rate borrowings:

	31.03.2021			31.03.2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Variable rate borrowings	3.78%	425.99	100.00	NA	-	NA

(b) Sensitivity
Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

₹/Lacs

	Impact on profit after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	As at 31.03.2021	As at 31.03.2020
Interest rates - increase by 10 basis points	(0.29)	-	(0.29)	-
Interest rates - decrease by 10 basis points	0.29	-	0.29	-

Digilife Distribution and Marketing Services Limited

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

34 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 of 31.03.2021 and 31.03.2020 were as follows:

	As at 31.03.2021	As at 31.03.2020
Total debt	425.99	-
Equity	(106.10)	(45.96)
Capital and net debt	319.89	(45.96)
Gearing ratio	133.17%	0.00%

The Holding Company i.e. HCL Infosystems Limited, has subscribed the 99.99% of the share capital of the Company and also the Company has taken unsecured loan from Holding Company itself.
Hence the Company is not subject to any externally imposed capital requirements for the year ended 31.03.2021 and 31.03.2020

35 Disclosure of related parties and related party transactions:

(a) Company having substantial Interest:

HCL Corporation Private Limited

(b) Holding company:

HCL Infosystems Limited

(c) Fellow subsidiaries with whom transactions have taken place during the year/or where balances exist :

HCL Infotech Limited
HCL Learning Limited

Key Management Personnel:
Mr. Anuj Minocha (Till 11th December 2020)*
Ms. Gunjan Khanna (Company Secretary)*
Mr. Gourav Bhalla was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 9th June, 2021*

* Renumeration has been paid by HCL Infosystems Limited

₹/Lacs

Particulars	Company having substantial interest		Holding Company		Fellow Subsidiaries		Others		Total	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
(i) Transactions										
Purchase of Goods			1,154.88	1,589.05					1,154.88	1,589.05
-HCL Infosystems Limited			1,154.88	1,589.05					1,154.88	1,589.05
Assets Sold			-	1.03	-	-			-	1.03
-HCL Infosystems Limited			-	1.03					-	1.03
Net Inter Company Deposits (ICD) Taken			422.44	-					422.44	-
-HCL Infosystems Limited			422.44	-					422.44	-
Net Inter Company Deposits (ICD) Refunded/ Adjusted			-	0.15					-	0.15
-HCL Infosystems Limited			-	0.15					-	0.15
Interest on inter Company Deposits (ICD) Taken			3.55	-					3.55	-
-HCL Infosystems Limited			3.55	-					3.55	-
Reimbursement of Expenses										
a) Paid			1.51	71.35					1.51	71.35
-HCL Infosystems Limited			1.51	71.35					1.51	71.35
(ii) Amount due to/ from related parties^										
Trade receivables	-	0.98	-	-	-	5.36	0.11	-	0.11	6.34
Trade payables			27.58	437.06	-	-	-	3.28	27.58	440.34
Current borrowings			425.99	-					425.99	-

^Amount due to / from related parties are unsecured and are repayable / to be received in cash.

Gurugram

Digilife Distribution and Marketing Services Limited

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

36 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:
Major components of deferred tax arising on account of timing difference along with their movement as at 31.03.2021 are as follows:

₹/Lacs

Particulars	As at 31.03.2020	Movement during the year	As at 31.03.2021
Deferred tax assets			
MAT credit	-	-	-
Total	-	-	-
Net deferred tax assets	-	-	-

* During the year, deferred tax assets amounting to ₹ Nil (2020: ` 117.33 Lakhs) has been written off due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be utilized.

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. It also explains significant estimates made in relation to The company's tax positions.

₹/Lacs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(i) Income tax expense		
Current tax	9.29	8.12
Total current tax expense	9.29	8.12
Deferred tax		
Decrease in MAT credit	-	117.33
Total deferred tax expense/(benefit)	-	117.33
Income tax expense	9.29	125.45

d) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

₹/Lacs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before income tax expense	(50.85)	47.21
Tax at the Indian tax rate of 31.20% (2020– 31.20%)	(15.86)	14.73
Difference in tax rates between current tax and MAT	-	-
Adjustments for current tax of prior periods	9.29	
MAT paid	-	8.12
Decrease / (increase) in MAT credit	-	102.60
Deferred tax asset not recognised in the current year	15.86	-
Income tax expense	9.29	125.45

₹/Lacs

Tax losses	As at 31.03.2021	As at 31.03.2020
Unused tax losses for which no deferred tax assets has been recognised	3,916.22	3,845.53
Potential tax benefit @ 31.20% (2020-31.20%)	1,221.86	1,199.81

The unused tax losses is not likely to generate taxable income in foreseeable future. The losses can be carried forward as per details below:

₹/Lacs

Previous year	As at 31.03.2021	As at 31.03.2020
31.03.2022	567.71	567.71
31.03.2023	2892.41	2892.41
31.03.2024	143.20	143.20
31.03.2026	18.21	18.21
31.03.2027	161.45	161.68
31.03.2028	0.00	0.00
31.03.2029	70.80	0.00
No limit	62.45	62.32
Total	3916.22	3845.53

Digilife Distribution and Marketing Services Limited

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

37 **Leases:**

The Company has taken various residential, office and godown premises under lease which has been subsequently surrendered/cancelled till March 31, 2020 . In the current reporting period, the Company has not entered into any new lease contracts, therefore the amount of Right-of-use assets and lease liabilities is shown as Nil as at March 31, 2021. For other leases, yearly lease payments is expensed off on straight line basis over lease term as rent expenses.

₹/Lacs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation expense - Right-of-use assets (Building) (refer note 3(b))	-	7.57
Interest on lease liabilities (refer note 26)	-	0.30
Rent expense - others (refer note 27)	12.22	44.12

Total cash outflow for leases during the year ended 31 March 2021 is ₹ Nil (2020: ₹ 7.57 lakhs).

Gurugram

Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

38 The Company's chief operating decision maker, from a product and geographic perspective has identified that the Company's business falls within a single business segment, i.e. value-added distribution of technology, mobility and consumer electronic products. Accordingly, pursuant to Indian Accounting Standard 108 on 'Segment Reporting', notified under section 133 of the Companies Act, 2013 as at 31.03.2021 segment information is not required to be disclosed.

39 Disclosure of Micro and small Enterprises based on information available with the Company:

		As at 31.03.2021	As at 31.03.2020
			₹/Lacs
a.	(i) Principal amount remaining unpaid to any supplier as at the end of the year	-	-
	(ii) Interest due on the above amount.	-	-
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.	29.09	8.79
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.	0.53	0.15
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.	-	-

40 The Board of Directors of Holding Company i.e. HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Holding Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business , the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ('NCLT') at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger.

Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial statements.

41 As at March 31, 2021, the Company has accumulated losses and its net worth has been fully eroded, the Company has a net loss during the current and previous year and the Company's current liabilities exceeded its current assets by ₹ 528.26 lacs (2020 - ₹ 402.78 lacs) as at the balance sheet date. The losses are primarily as a result of certain historical low margin contracts and slow-down of distribution businesses. The Company's management is pursuing strategies which include scaling down of the distribution business and merger of operations with the Holding Company. To ensure the necessary financial support for its operations, the Board of Directors of HCL Infosystems Limited, which in turn has obtained financial support from a significant promoter shareholder, has issued a support letter to the Company. Considering the above support, the Company's management and the Board of Directors are of the view 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, the financial statements have been prepared on a going concern basis.

42 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 results. 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 results as and when these material changes to economic conditions arise.

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

For and on behalf of the Board of Directors
For and on behalf of the Board of Directors

Dilip Kumar Srivastava
Managing Director
DIN - 06847137

Pawan Kumar Danwar
Director
DIN - 06847503

Gaurav Bhalla
Chief Financial Officer

Gunjan Khanna
Company Secretary

Noida, June 24, 2021

Digilife Distribution and Marketing Services Limited
Unaudited Balance Sheet as at June 30,2021 (Provisional)

	Notes	As at 30.06.2021 ₹/Lacs		As at 31.03.2021 ₹/Lacs	
I. ASSETS					
Non-current assets					
Property, plant and equipment	3(a)	-		-	
Right of use assets	3(b)	-		-	
Financial Assets					
(i) Others financial assets	4	89.08		87.76	
Advance income tax (net)	5	112.84		112.84	
Other non-current assets	6	221.31	423.24	221.56	422.16
Current assets					
Inventories	7	-		-	
Financial assets					
(i) Investments		-			
(i) Trade receivables	8	(0.00)		-	
(ii) Cash and cash equivalents	9	25.11		29.68	
(iii) Bank balances other than (ii) above	10	-		-	
(iv) Other financial assets	11	-		-	
Other current assets	12	14.68	39.79	14.70	44.38
Total Assets			463.03		466.54
II. EQUITY AND LIABILITIES					
Equity					
Equity share capital	13	5,605.00		5,605.00	
Other equity	14	(5,724.60)	(119.60)	(5,711.10)	(106.10)
Non Controlling Interests					
Liabilities					
Non-current liabilities					
Current liabilities					
Financial liabilities					
(i) Borrowings	16	429.70		425.99	
(ii) Trade payables	17				
(a) Total outstanding dues of micro enterprises and small enterprises		-		-	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		91.39		90.96	
(iii) Other financial liabilities	18	2.64		2.64	
Other current liabilities	19	11.43		5.58	
Provisions	20	47.48	582.64	47.48	572.65
Liabilities for Current Tax (Net)		-			
Total Equity and Liabilities			463.04		466.54

For and on behalf of the Board of Directors
Digilife Distribution and Marketing Services Limited

Pawan Kumar Danwar
Director
DIN - 06847503

New Delhi, September 27, 2021

Digilife Distribution and Marketing Services Limited
Unaudited Statement of Profit and Loss for the period ended June 30,2021(Provisional)

	Notes		Period ended 30.06.2021 ₹/Lacs		Year ended 31.03.2021 ₹/Lacs
Income :					
Revenue from operations	21		-		1,273.35
Other income	22		5.43		159.45
Total Income			5.42		1,432.80
Expenses :					
Cost of materials consumed					
Purchases of stock-in-trade			-		1,010.80
Changes in inventories of stock-in -trade	23		-		29.12
Other direct expense	24		-		0.18
Employee benefits expense	25		-		8.25
Finance costs	26		4.12		3.65
Depreciation and amortization expense	3(a), 3(b)		-		-
Other expenses	27		14.83		431.75
Total expenses			18.93		1,483.65
Profit/(loss) before exceptional items and tax			(13.51)		(50.85)
Exceptional Items			-		-
Profit/(loss) before tax			(13.51)		(50.85)
Income tax expense: (refer note 36)					
- Current tax		-		9.29	
-Deferred tax		-	-	-	9.29
(2) Tax related to earlier years					
Profit (Loss) for the period from continuing operations			(13.51)		(50.85)
Profit/(loss) from discontinued operations					
Tax expense of discontinued operations					
Profit/(loss) from Discontinued operations (after tax) (X-XI)					
Loss for the period			(13.51)		(60.14)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain/(loss) on remeasurement of defined benefit plan		-		-	
Less: Income tax relating to items that will not be reclassified to profit or loss		-		-	
B (i) Items that will be reclassified to profit or loss		-		-	
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Total comprehensive loss for the year			(13.51)		(60.14)
Earnings per share (in ₹)	29				
(i) Basic (of ₹ 10/- each)			(0.02)		(0.11)
(ii) Diluted (of ₹ 10/- each)			(0.02)		(0.11)
Earnings per equity share (for discontinued operation):					
(1) Basic					
(2) Diluted					
Earnings per equity share(for discontinued & continuing operations)					
(1)Basic			(0.02)		(0.11)
(2)Diluted			(0.02)		(0.11)

For and on behalf of the Board of Directors
Digilife Distribution and Marketing Services Limited

Pawan Kumar Danwar
Director
DIN - 06847503

Digilife Distribution and Marketing Services Limited

New Delhi, September 27, 2021

B S R & Associates LLP

Chartered Accountants

Building No.10,12th Floor Tower-B
DLF Cyber City, Phase-II
Gurugram – 122 002, India

Telephone: +91 124 7191000
Fax: +91 124 235 8613

INDEPENDENT AUDITORS' REPORT

To the Members of HCL Learning Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of HCL Learning Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

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 2021, and loss and other comprehensive income, 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

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 financial statements and our auditors' 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

Management's and Board of Directors' Responsibility 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 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 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 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 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 in the standalone financial statements 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements- Refer Note 27 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the Company has not paid any remuneration to its directors during the year. The remuneration to any director is paid by HCL Infosystems Limited ("Holding Company"). The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABD9072

Place: New Delhi
Date :24-June-2021

Annexure A referred to in our Independent Auditors' Report to the members of HCL Learning Limited on the financial statements for the year ended 31 March 2021

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified by the management in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no physical verification was required as per the phased programme.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

(ii) The physical verification of inventory have been conducted at reasonable intervals by the management during the year. Based on above verification, no discrepancies noticed.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, there are no dues of income tax, duty of excise, service tax and duty of customs and Goods and Services Tax which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2021. The particulars of service tax, sales tax and other material statutory dues as at 31 March 2021 which have not been deposited on account of dispute is mentioned in the annexure below:

Name of Act	Nature of Dues	Demand Raised (Rs. In Lacs)	Amount Deposited (Rs. in Lacs)	Assessment Year	Forum where dispute is pending
Central Sales Tax, 1956	Central Sales Tax (Delhi)	18.84	-	2014-15	Assistant VAT Officer , Delhi
U.P. Trade Tax Act, 1948	Sales Tax	9.86	4.73	2014-15	Commercial Tax Tribunal, Noida
U.P. Trade Tax Act, 1948	Sales Tax	7.43	5.38	2015-16	Commissioner Appeals, Commercial Taxes, Noida
U.P. Trade Tax Act, 1948*	Sales Tax	0.00	0.00	2015-16	Joint Commissioner, Commercial Taxes, Noida
Rajasthan Value Added Tax Act, 2003	Sales Tax	0.15	-	2014-15	Commercial Tax Officer, Jaipur, Rajasthan
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	0.38	-	2014-15	Assistant Commissioner of Sales Tax Chennai
Central Sales Tax, 1956	Central Sales Tax (Maharashtra)	0.23	-	2013-14	Deputy Commissioner of Sales Tax – Mumbai

Name of Act	Nature of Dues	Demand Raised (Rs. in Lacs)	Amount Deposited (Rs. in Lacs)	Assessment Year	Forum where dispute is pending
Central Sales Tax, 1956	Central Sales Tax (Delhi)	18.84	-	2014-15	Assistant VAT Officer, Delhi
U.P. Trade Tax Act, 1948	Sales Tax	9.86	4.73	2014-15	Commercial Tax Tribunal, Noida
U.P. Trade Tax Act, 1948	Sales Tax	7.43	5.38	2015-16	Commissioner Appeals, Commercial Taxes, Noida
U.P. Trade Tax Act, 1948	Sales Tax	0.00	0.00	2015-16	Joint Commissioner, Commercial Taxes, Noida
Rajasthan Value Added Tax Act, 2003	Sales Tax	0.15	-	2014-15	Commercial Tax Officer, Jaipur, Rajasthan
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	0.38	-	2014-15	Assistant Commissioner of Sales Tax Chennai
Central Sales Tax, 1956	Central Sales Tax (Maharashtra)	0.23	-	2013-14	Deputy Commissioner of Sales Tax - Mumbai

(viii) According to the information and explanation given to us, the Company has not availed any loan or borrowings from any financial institution, banks or government and did not have any outstanding dues to the debenture holders during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of term loan. Also, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

(xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABD9072

Place: New Delhi
Date :24-June-2021

Annexure B to the Independent Auditors' report on the financial statements of HCL Learning Limited for the year ended 31 March 2021

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

(Referred to in paragraph 2(A)(f) 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 financial statements of HCL Learning Limited ("the Company") as of 31 March 2021 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 financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to 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 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 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 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 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 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Registration No.:116231W/W-100024

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABD9072

Place: New Delhi
Date :24-June-2021

HCL Learning Limited
Balance Sheet as at March 31, 2021

		Notes		As at 31.03.2021 ₹/Lacs		As at 31.03.2020 ₹/Lacs
I.	**ASSETS**					
	(1) Non-current assets					
	Property, plant and equipment	3(a)	-		-	
	Intangible assets	3(b)	-		-	
	Financial assets					
	(i) Other financial assets	4	22.10		15.86	
	Advance income tax (net)	5	137.16		362.85	
	Other non-current assets	6	47.07	206.33	47.53	426.24
	(2) Current assets					
	Inventories	7	2.42		-	
	Financial assets					
	(i) Trade receivables	8	-		-	
	(ii) Cash and cash equivalents	9	69.40		33.89	
	(iii) Other bank balances other than (ii) above	10	-		5.84	
	(iv) Other financial assets	11	0.17		57.60	
	Other current assets	12	51.09	123.08	74.18	171.51
	Total Assets			329.41		597.75
II.	**EQUITY AND LIABILITIES**					
	(1) Equity					
	Equity share capital	13	7.53		7.53	
	Other equity	14	(4,690.61)	(4,683.08)	(4,628.68)	(4,621.15)
	(2) Liabilities					
	Current liabilities					
	Financial liabilities					
	(i) Borrowings	15	4,882.80		4,770.15	
	(ii) Trade payables	16				
	(a) Total outstanding dues of micro enterprises and small enterprises		0.14		0.11	
	(b) Total outstanding dues other than micro enterprises and small enterprises		104.99		319.13	
	(iii) Other financial liabilities	17	3.74		77.28	
	Other current liabilities	18	3.53		31.89	
	Provisions	19	17.29	5,012.49	20.34	5,218.90
	Total Equity and Liabilities			329.41		597.75
	Significant Accounting Policies	2				

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

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

Dilip Kumar Srivastava
Director
DIN - 06847137

Neelesh Agarwal
Director
DIN - 00149850

Noida, June 24, 2021

HCL Learning Limited
Statement of profit and loss for the period ended March 31, 2021

	Notes		Year ended 31.03.2021 ₹/Lacs		Year ended 31.03.2020 ₹/Lacs
Income :					
Revenue from operations	20		-		536.75
Other income	21		238.84		390.28
Total Income			238.84		927.03
Expenses :					
Purchases of stock-in-trade			2.42		0.30
Changes in inventories of finished goods, stock-in -trade	22		(2.42)		0.11
Other direct expense	23		2.94		21.09
Employee benefits expense	24		4.50		59.71
Finance costs	25		180.44		1,362.50
Depreciation and amortization expense	3(a), 3(b)		-		1.63
Other expenses	26		112.89		173.64
Total Expenses			300.77		1,618.98
Loss before exceptional items and tax			(61.93)		(691.95)
Exceptional items	40		-		1,832.26
Profit/(loss) before tax			(61.93)		1,140.31
Income tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		-	-	29.21	29.21
Profit/(loss) for the year			(61.93)		1,111.10
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
- Gain/(loss) on remeasurement of defined benefit plan		-	-	0.80	0.80
Total comprehensive income/(loss) for the year			(61.93)		1,111.90
Earning per equity share:	35				
(1) Basic			(82.27)		1,476.07
(2) Diluted			(82.27)		1,476.07

Significant Accounting Policies 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

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

Dilip Kumar Srivastava
Director
DIN - 06847137

Neelesh Agarwal
Director
DIN - 00149856

Noida, June 24, 2021

HCL Learning Limited
Cash Flow Statement for the year year ended March 31, 2021

			Year ended 31.03.2021 ₹/Lacs		Year ended 31.03.2020 ₹/Lacs
1. Cash Flow from Operating Activities:					
Profit/(loss) before tax			(61.93)		1,140.91
Adjustments for:					
Depreciation and amortisation expense		-		1.63	
Finance cost		180.44		1,262.50	
Property, plant and equipment written-off		-		10.55	
(Gain)/Loss on foreign exchange fluctuation		(0.19)		0.51	
Provision for doubtful loans & advances and other current assets		14.76		1.15	
Provisions for other current assets		65.87			
Provisions/liabilities no longer required written back		(217.14)		(264.74)	
Gain on disposal of subsidiary		-	43.45	(1,832.26)	820.66
Operating profit before working capital changes			(18.48)		319.65
Adjustments for changes in working capital:					
- (Increase)/decrease in current loans and advances		(0.11)		(31.20)	
- (Increase)/decrease in non-current loans and advances		0.46		(7.21)	
- Decrease/(increase) in inventories		(2.42)		0.11	
- (Decrease)/ Increase in current liabilities		(101.73)		211.71	
- Decrease in non-current liabilities		-	(103.80)	(2.04)	171.37
Cash generated from operations			(122.28)		491.02
- Taxes (paid) / received (net)			204.87		(99.93)
Net cash generated from operating activities	(A)		82.59		391.09
2. Cash flow from investing activities:					
Interest received		20.82		-	
Proceeds from sale of fixed assets		0.29			
Sale of investment in subsidiaries		-		29,458.26	
Investment in bank margin money		(0.40)	20.71	(8.00)	29,450.26
Net cash generated from investing activities	(B)		20.71		29,450.26
3. Cash Flow from Financing Activities:					
Proceeds from loans and borrowings		105.75		2,268.99	
Repayment of loans and borrowings		(160.00)		(31,151.75)	
Interest paid		(13.54)	(67.79)	(1,061.48)	(29,944.24)
Net cash used in financing activities	(C)		(67.79)		(29,944.24)
Net (decrease)\increase in cash and cash equivalents	(A+B+C)		35.51		(102.89)
Opening balance of cash and cash equivalents			33.89		136.78
Closing balance of cash and cash equivalents			69.40		33.89
Cash and cash equivalents comprise of			69.40		33.89
Cash, cheques and drafts (on hand)			-		2.45
Balances with banks on current accounts			69.40		31.44

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.

Notes:
Figures in brackets indicate cash outflow

This is the cash flow statement as per our report of even date attached

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

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

Dilip Kumar Srivastava
Director
DIN - 06847137

Neelesh Agarwal
Director
DIN - 00149856

Noida, June 24, 2021

HCL Learning Limited
Statement of changes in equity for the period ended March 31, 2021

a. Equity Share Capital

₹/Lacs

	Number of Equity Shares	Equity Share Capital
Balance as at 01.04.2019	75,274	7.53
Balance as at 31.03.2020	75,274	7.53
Balance as at 01.04.2020	75,274	7.53
Balance as at 31.03.2021	75,274	7.53

b. Other Equity

₹/Lacs

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at 01.04.2019	5,997.52	(11,738.10)	(5,740.58)
Loss for the year		1,111.10	1,111.10
Other comprehensive income for the year		0.80	0.80
Balance as at 31.03.2020	5,997.52	(10,626.20)	(4,628.68)
Balance as at 01.04.2020	5,997.52	(10,626.20)	(4,628.68)
Profit for the year	-	(61.93)	(61.93)
Other comprehensive income for the year	-	-	-
Balance as at 31.03.2021	5,997.52	(10,688.13)	(4,690.61)

Securities Premium :
The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.
Retained Earnings:
Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

This is the Statement of Changes in Equity as per our report of even date attached

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

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

Dilip Kumar Srivastava
Director
DIN - 06847137

Neelesh Agarwal
Director
DIN - 00149856

Noida, June 24, 2021

HCL Learning Limited
Notes to the Financial Statements

1. Corporate information

HCL Learning Limited ('the Company') is domiciled and incorporated 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 selling of digitised educational content & learning solutions.

The financial statements were approved by the Board of Directors and authorised for issue on 24.06.2021.

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 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 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.

HCL Learning Limited

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's 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 and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Company 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 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 accounts receivable and advances

Trade receivables 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) 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 / a service 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.

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HCL Learning Limited

- 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

Property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any. 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.

HCL Learning Limited *

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.

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 (other than goodwill) are amortised at straight line basis as follows:

Intellectual Property Rights	7 years
Software	1-5 years

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.

HCL Learning Limited

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.

Sale and leaseback

Sale and lease back transaction is recognised if transfer of asset satisfies the requirements of IND AS 115 to be accounted for as a sale of the asset. The company shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the company. Accordingly, the company shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer.

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

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HCL Learning Limited

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.

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 statement of profit and 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 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.

Investment in subsidiary

Investment in subsidiary is carried at cost in financial statement.

C. Financial liabilities

1. Subsequent measurement

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

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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.

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HCL Learning Limited

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 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

Stock-in-trade is stated at the lower of cost and net realisable value.

Cost of stock-in-trade comprises cost of purchases. Costs 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.

2.12 Cash and cash equivalents

HCL Learning Limited

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.

2.13 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

(i) Intangible assets, property, plant and equipment and goodwill

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. Goodwill is tested for impairment annually. 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.

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 recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

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. An impairment loss in respect of goodwill is not reversed.

c. Investment in subsidiary

Investment in subsidiary is 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.

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HCL Learning Limited *

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.

2.14 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.

2.15 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.

HCL Learning Limited

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.

2.16 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of 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.

2.17 Revenue recognition

The Company derives revenues primarily from training services and educational content and related hardware offerings for private schools, colleges and other educational institutes and vocational training

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from services

Timing of recognition

Service income includes income from training services and educational content and related hardware offerings for private schools, colleges and other educational institutes and vocational training. Revenues

Gurugram

HCL Learning Limited

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. Revenue from a period based service contracts is recognised on a pro rata basis over the period in which such services are rendered.

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.

Sale of products

Timing of recognition

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.

Interest income

Interest income from loans and receivables 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.

2.18 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

Gurugram

HCL Learning Limited

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 holding 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 holding 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.

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:

Gurugram

HCL Learning Limited

- 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.

2.20 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.

Gurugram

HCL Learning Limited

HCL Learning Limited
Notes to the financial statements

3(a) Property, Plant and Equipment

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 31.03.2021
Plant and machinery	1.46	-	-	1.46	1.46	-	-	1.46	-
Furniture and fixtures	0.04	-	-	0.04	0.04	-	-	0.04	-
Office equipments	0.01	-	-	0.01	0.01	-	-	0.01	-
Computers	15.25	-	1.29	13.96	15.25	-	1.29	13.96	-
Total	16.76	-	1.29	15.47	16.76	-	1.29	15.47	-

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2020
Plant and machinery	2.23	-	0.77	1.46	2.23		0.77	1.46	-
Furniture and fixtures	31.48	-	31.44	0.04	20.27	1.60	21.83	0.04	-
Office equipments	14.65	-	14.64	0.01	13.72	-	13.71	0.01	-
Computers	22.31	-	7.06	15.25	22.27	0.03	7.05	15.25	-
Total	70.67	-	53.91	16.76	58.49	1.63	43.36	16.76	-

3(b) Intangible Assets

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 01.04.2020	Additions	Disposal	As at 31.03.2021	As at 31.03.2021
Software	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2020
Software	1.73	-	1.73	-	1.73	-	1.73	-	-
Total	1.73	-	1.73	-	1.73	-	1.73	-	-

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HCL Learning Limited

HCL Learning Limited
Notes to the financial statements

			As at 31.03.2021 ₹/Lacs		As at 31.03.2020 ₹/Lacs
4	**Other non-current financial assets**				
	Considered Good				
	Security Deposits		13.70		13.70
	Balance with bank- margin money		8.40		2.16
	TOTAL		22.10		15.86
5	**Advance income tax asset (net of provisions)**				
	Advance income tax [Provision for income tax of ₹ 31.59 Lacs (2020 - ₹ 31.59 Lacs)]		137.16		362.85
	TOTAL		137.16		362.85
6	**Other Non-Current Assets**				
	Unsecured, considered good				
	Deposits with tax authorities		47.07		47.53
	Considered Doubtful				
	Capital Advances	0.50		0.50	
	Less: Provision for Doubtful Loans and Advances	0.50		0.50	-
	TOTAL		47.07		47.53
7	**Inventories**				
	Stock-in-trade		2.42		-
	TOTAL		2.42		-
8	**Trade receivables (refer note 28)**				
	Unsecured:				
	- Considered good	-		-	
	- Credit impaired	630.05		651.31	
		630.05		651.31	
	Less: Allowances for doubtful debts	630.05	-	651.31	-
	TOTAL		-		-

HCL Learning Limited

HCL Learning Limited
Notes to the financial statements

		As at 31.03.2021 ₹/Lacs		As at 31.03.2020 ₹/Lacs
9 Cash and cash equivalents				
Balances with banks				
- In current account		69.40		31.44
Cheques on hand		-		2.45
TOTAL		69.40		33.89
10 Other bank balances				
Balances with Banks				
- On Margin Account		-		5.84
TOTAL		-		5.84
11 Other financial asset				
Considered Good				
Security deposits		-		9.90
Others (includes employee advances, insurance claim recoverable, expense recoverable)		-		2.24
Other receivable from related parties (Refer note 28)		0.17		45.46
Considered Doubtful				
Lease rental recoverable, Security Deposits, Insurance claim recoverable, employee advances	292.58		280.32	
Less: Allowance for doubtful Lease rental recoverable, Security Deposits, Insurance claim recoverable, employee advances	292.58	-	280.32	-
TOTAL		0.17		57.60
12 Other current assets				
Unsecured				
Considered good				
Balances with customs, port trust, excise and sales tax authorities		2.65		60.90
Advances to creditors		2.69		12.74
Prepaid expenses		0.04		0.54
Others		45.71		-
TOTAL		51.09		74.18

HCL Learning Limited

HCL Learning Limited
Notes to the financial statements

	As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
13 Share capital		
Authorised		
1,00,000 Equity Shares (2020 - 1,00,000) of ₹ 10/- each	10.00	10.00
TOTAL	10.00	10.00
Issued, Subscribed and Paid up		
75,274 Equity Shares (2020 - 75,274) of ₹ 10/- each (Fully Paid up)	7.53	7.53
TOTAL	7.53	7.53

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 10/- 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	Number of Shares	% of shares	Number of Shares	% of shares
HCL Infosystems Limited, the holding company	75,268	99.99	75,268	99.99

14 Other Equity

A. Reserve and surplus

	As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
(a) Securities premium reserve		
Opening balance	5,997.52	5,997.52
Closing balance	5,997.52	5,997.52
(b) Retained earnings		
Opening balance	(10,626.20)	(11,738.10)
Net profit/(loss) for the year	(61.93)	1,111.10
Other Comprehensive Income for the year	-	0.80
Closing balance	(10,688.13)	(10,626.20)
TOTAL	(4,690.61)	(4,628.68)

HCL Learning Limited

	As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
15 Current borrowings		
Unsecured:		
Loans repayable on demand		
- From related party (refer note 28)	4,882.80	4,770.15
TOTAL	4,882.80	4,770.15

Note:
Unsecured Loans from HCL Infosystems Limited, the Holding Company, amounting to ₹ 4,882.80 Lacs (2020 - ₹ 4,770.15 Lacs) is repayable on demand and carries an interest @ 3.56% to 4.00% per annum.

	As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
16 Trade payables (refer note 28)		
Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 40)	0.14	0.11
(b) Total outstanding dues other than micro enterprises and small enterprises	104.99	319.13
TOTAL	105.13	319.24

HCL Learning Limited

HCL Learning Limited
Notes to the financial statements

		As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
17	**Other financial liabilities**		
	Deposits	-	62.51
	Employee benefits payable	3.74	14.45
	Capital creditors	-	0.32
	TOTAL	3.74	77.28
18	**Other current liabilities**		
	Deferred revenue	-	6.03
	Advances received from customers	-	20.01
	Statutory dues payable	3.53	5.85
	TOTAL	3.53	31.89
19	**Current provisions**		
	Provision for gratuity and other employee benefits	-	2.99
	Provision for Litigation (refer note 27 (b))	17.29	17.35
	TOTAL	17.29	20.34

HCL Learning Limited

Gurugram

HCL Learning Limited

Notes to the financial statements

		Year ended Year ended 31.03.2021 ₹/Lacs	Year ended Year ended 31.03.2020 ₹/Lacs
20	**Revenue from operations**		
	Sale of Products	-	508.91
	Sale of Services	-	27.84
	TOTAL	-	536.75
21	**Other income**		
	Interest income from financial asset at amortised cost		
	- On lease rental	-	7.10
	- On Fixed Deposits	0.40	0.33
	- On Income Tax refund	20.82	-
	Net profit/(loss) on sale of property, plant and equipment	0.29	-
	Net profit on foreign exchange fluctuation	0.19	-
	Provisions/liabilities no longer required written back	217.14	364.74
	Miscellaneous income	-	18.11
	TOTAL	238.84	390.28
22	**Changes in inventories of finished goods and stock-in-trade**		
	Closing balance		
	- Stock-in-trade	2.42	-
		2.42	-
	Opening balance		
	- Stock-in-trade	-	0.11
	Changes in inventories of stock-in-trade	(2.42)	0.11
23	**Other direct expense**		
	Purchase of services	2.94	21.09
	TOTAL	2.94	21.09
24	**Employee benefits expense**		
	Salaries, wages, bonus and gratuity (refer note 37)	4.14	58.12
	Contribution to provident and other funds	0.14	1.54
	Staff welfare expenses	0.22	0.05
	TOTAL	4.50	59.71
25	**Finance costs**		
	Interest expense on financial liabilities at amortized cost	180.44	1,362.50
	TOTAL	180.44	1,362.50

HCL Learning Limited

		Year ended	Year ended
		Year ended 31.03.2021	Year ended 31.03.2020
		₹/Lacs	₹/Lacs
26	**Other expenses**		
	Rent (refer note 34)	0.57	1.53
	Rates and taxes	55.46	18.71
	Printing and stationery	-	0.07
	Communication	0.04	0.41
	Travelling and conveyance	0.13	2.15
	Packing, freight and forwarding	-	0.01
	Legal, professional and consultancy charges (refer note 32)	31.57	81.82
	Retainership expenses	1.79	27.70
	Insurance	-	0.39
	Hire charges	-	0.02
	Bank charges	0.65	0.66
	Allowance for doubtful loans & advances and other current assets	14.76	1.15
	Property, plant and equipment written-off	-	10.55
	Net loss/(gain) on foreign exchange fluctuation (other than considered as finance cost)	-	0.51
	Miscellaneous	7.89	0.16
		112.86	145.84
	Common cost allocated from holding company and fellow subsidiary	0.03	27.80
	TOTAL	112.89	173.64

HCL Learning Limited

HCL Learning Limited
Notes to the Financial Statements

27 **a) Contingent Liabilities :**

Claims against the Company not acknowledged as debts:

	As at 31.03.2021	As at 31.03.2020
		₹/Lacs
Sales Tax*	19.59	7.65
Excise, Service Tax and Customs	-	0.96
Industrial Disputes, Civil Suits and Consumer Disputes	112.81	116.51

* Includes sum of ₹ 13.20 Lacs (31.03.2020 - ₹ 10.10 lacs) deposited by the Company against the above.

The above amounts 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) Other Litigations :
The Company has certain sales tax and other related litigation amounting to ₹ 17.29 lacs (2020 - ₹ 17.35 lacs) against which provision have been made. No provision (2020 - ₹ 0.06 lacs) was provided during the year. Provision amounting to ₹ 0.06 lacs (2020 - Nil) was utilised during the year.

HCL Learning Limited
Notes to the Financial Statements

28 Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Corporation Private Limited

b) Holding Company

HCL Infosystems Limited

c) List of parties where control exists/existed and with whom transactions have taken place during the year and/or where balances exist:

Subsidiary:
HCL Insys Pte. Limited, Singapore, ceased to be Subsidiary with effect from November 15, 2019

Fellow Subsidiaries:

HCL Infotech Limited

d) 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 Comnet Systems and Services Limited
HCL Training & Staffing Services Pvt Ltd.
HCL Talent Care Pvt. Limited

Key Management Personnel:

Ms. Komal Bathla- Company Secretary* (Ms. Komal Bathla resigned from the position of Company Secretary of the Company w.e.f. 9th February, 2021)

* Renumeration has been paid by HCL Infosystems Limited

HCL Learning Limited
Notes to the Financial Statements

Summary of Related Party disclosures
Note: All transactions with related parties have been entered into in the normal course of business.

(₹/Lacs)

A. Transactions	Holding Company		Fellow Subsidiaries		Others		Total	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Loans and Advances Refunded/Adjusted (Net)	-	27,671.91	-	-	-	-	-	27,671.91
- HCL Infosystems Limited	-	27,671.91	-	-	-	-	-	27,671.91
Loans and Advances Taken (Net)	112.65	-	-	-	-	-	112.65	-
- HCL Infosystems Limited	112.65	-	-	-	-	-	112.65	-
Interest on Inter Company Deposits (ICD) Taken	180.44	1,319.17	-	-	-	-	180.44	1,319.17
- HCL Infosystems Limited	180.44	1,319.17	-	-	-	-	180.44	1,319.17
Reimbursements towards expenditure								
a) Paid	0.25	44.35	-	-	-	-	0.25	44.35
- HCL Infosystems Limited	0.25	44.35	-	-	-	-	0.25	44.35
B. Amount due to / from related parties^								
Trade Receivables	6.36	6.36	0.06	0.06	4.03	2.56	10.44	8.98
Other Recoverables	-	45.46	0.17	-	-	-	0.17	45.46
Borrowings	4,882.80	4,770.15	-	-	-	-	4,882.80	4,770.15
Trade Payables	-	24.05	-	-	-	-	-	24.05

^Amount due to / from related parties are unsecured and are repayable/to be received in cash.

Gurugram

HCL Learning Limited

HCL Learning Limited
Notes to the Financial Statements

Financial Instruments and Risk Management
29 Fair Value Measurements

The carrying value of financial instruments by categories is as under :

₹/Lacs

Particulars	Notes	At cost	Fair Value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets							
Non-current assets							
(ii) Other financial assets	4	-	-	-	22.10	22.10	22.10
		-	-	-	(15.86)	(15.86)	(15.86)
		-	-	-	22.10	22.10	22.10
		-	-	-	(15.86)	(15.86)	(15.86)
Current assets							
(i) Trade receivables	8	-	-	-	-	-	-
		-	-	-	-	-	-
(ii) Cash and cash equivalents	9	-	-	-	69.40	69.40	69.40
		-	-	-	(33.89)	(33.89)	(33.89)
(iv) Bank balances other than (iii) above	10	-	-	-	-	-	-
		-	-	-	(5.84)	(5.84)	(5.84)
(iii) Other financial assets	11	-	-	-	0.17	0.17	0.17
		-	-	-	(57.60)	(57.60)	(57.60)
		-	-	-	69.57	69.57	69.57
		-	-	-	(97.33)	(97.33)	(97.33)
Financial Liabilities							
Current liabilities							
(i) Short Term Borrowings	15	-	-	-	4,882.80	4,882.80	4,882.80
		-	-	-	(4,770.15)	(4,770.15)	(4,770.15)
(ii) Trade payables	16	-	-	-	105.13	105.13	105.13
		-	-	-	(319.24)	(319.24)	(319.24)
(iii) Other financial liabilities	17	-	-	-	3.74	3.74	3.74
		-	-	-	(77.28)	(77.28)	(77.28)
		-	-	-	4,991.67	4,991.67	4,991.67
		-	-	-	(5,166.67)	(5,166.67)	(5,166.67)

Note: Previous year figures are in bracket.

Gurugram

HCL Learning Limited

30 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.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Trade receivables, Lease Rent Recoverable Cash and cash equivalents Bank Balances Other financial assets	Ageing Analysis and Credit rating	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
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Indian rupee (INR)	Position of net foreign exchange risk, based on relative assets and liabilities	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Replacement of high cost debt with low cost debt

The Company's risk management is carried out by the treasury and credit control department of the holding company under policies approved by the senior management and board of directors.

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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 receivable.

Credit risk on Bank balances is not significant as it majorly includes Balances with Bank 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 credit control department of the Holding Company.

Following table provides age wise breakup of receivables ₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Not Due	-	-
0-90 days past due	-	-
91-180 days past due	-	-
180-365 days past due	-	-
1-2 years past due	-	-
More than 2 years past due	630.05	651.31
	630.05	651.31

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 profit or loss.

The summary of life time allowance made on customer balances during the year and balance at the year end is given below:
₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Balance at the beginning	651.31	891.90
Provided during the year	-	-
Reversed during the year	(21.26)	(143.00)
Amounts written off	-	(97.59)
Balance at the end	**630.05**	651.31

Weighted Average loss rate is 100% (2020 - 100%)

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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 treasury department of the holding company 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 as at 31.03.2021

₹/Lacs

	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
Non-derivatives						
Borrowings						
-From Related Party	4,882.80	4,882.80	-	-	-	-
	(4,770.15)	(4,770.15)	-	-	-	-
Trade payables	105.13	-	105.13	-	-	-
	(319.24)	-	(319.24)	-	-	-
Other financial liabilities				-	-	-
-Deposits	-	-	-	-	-	-
	(62.51)	-	(62.51)	-	-	-
-Capital Creditors	-	-	-	-	-	-
	(0.32)	-	(0.32)	-	-	-
-Employee benefits payable	3.74	-	3.74	-	-	-
	(14.45)	-	(14.45)	-	-	-
Total non-derivative liabilities	4,991.67	4,882.80	108.87	-	-	-
	(5,166.67)	(4,770.15)	(396.52)	-	-	-

Note: Previous year figures aye in bracket.

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HCL Learning Limited

Market risk

(i) Interest rate risk
The Company's main interest rate risk arise from borrowings with variable interest rates, which expose the Company to cash flow interest rate risk. As on 31.03.2021 the Company has ₹ 4,882.80 Lacs (2020- ₹ 4,770.15 Lacs) 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:

₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Variable rate borrowings	4,882.80	4,770.15
Fixed rate borrowings	-	-
Total borrowings	**4,882.80**	4,770.15

As at the end of the reporting period, the Company had the following variable rate borrowings:

	As at 31.03.2021			As at 31.03.2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and others	3.78%	4,882.80	100.00%	5.74%	4,770.15	100.00%
Net exposure to cash flow interest rate risk		**4,882.80**			4,770.15	

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

₹/Lacs

	Impact on profit after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	As at 31.03.2021	As at 31.03.2020
Interest rates - increase by 10 basis points	(3.37)	(3.28)	(3.37)	(3.28)
Interest rates – decrease by 10 basis points	3.37	3.28	3.37	3.28

HCL Learning Limited

Foreign currency risk
The Company's primary operations are in India and therefore, 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.

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

₹/Lacs

	USD
Financial Liabilities	
Trade Payables	4.48
	(8.50)
Net exposure to foreign currency risk (liabilities)	4.48
	(8.50)

Note: Previous year figures are in bracket.
The Company's foreign currency exposure as at the reporting date is not significant, hence, sensitivity analysis has not been reported.

31 **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 of 31.03.2021 and 31.03.2020 were as follows:

₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Total Debt	4,882.80	4,770.15
Equity	(4,683.08)	(4,621.15)
Capital and net debt	199.72	149.00
Gearing ratio	2444.82%	3201.44%

The Holding Company i.e. HCL Infosystems Limited, has subscribed the 99.99% of the share capital of the Company and also the Company has taken unsecured loan from Holding Company itself.
Hence the Company is not subject to any externally imposed capital requirements for the year ended 31.03.2021 and 31.03.2020

32 **Remuneration to Auditor*:**

₹/Lacs

	Year ended 31.03.2021	Year ended 31.03.2020
Statutory audit	3.00	8.50
Tax audit fees/certifications	4.67	2.50
Out of pocket expenses	-	1.10
TOTAL	7.67	12.10

*Excluding GST as applicable.

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HCL Learning Limited

33 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:
Major components of Deferred tax arising on account of timing difference along with their movement as at 31.03.2021 are:

₹/Lacs

	As at 31.03.2020	Movement during the year	As at 31.03.2021
Deferred Tax Assets			
Minimum Alternative Tax	-		-
Total	-	-	-
Deferred Tax Assets	-	-	-

* During the year, deferred tax assets amounting to Nil (2020: ` 29.21 lacs) has been written off due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be utilized.

(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. It also explains significant estimates made in relation to the company's tax positions.

₹/Lacs

	Year ended 31.03. 2021	Year ended 31.03. 2020
(i) Income tax expense	-	-
Current tax	-	-
Total current tax expense	-	-
Deferred tax	-	-
Decrease in MAT credit	-	29.21
(Decrease) in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	29.21
Income tax expense	-	29.21

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

₹/Lacs

	Year ended 31.03. 2021	Year ended 31.03. 2020
Profit/(loss) before income tax expense	(61.93)	1,141.11
Tax at the Indian tax rate of 31.20% (2020- 31.20%)	(19.32)	356.03
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		(260.73)
Decrease/ (increase) in MAT credit		29.21
Adjustment on account of brought forward losses	19.32	(95.29)
Income tax expense	-	29.21

₹/Lacs

Tax Losses	As at 31.03.2021	As at 31.03.2020
Unused tax losses for which no deferred tax assets has been recognized	9,207.06	9,136.09
Potential tax benefit @ 31.20% (2020- 31.20%)	2,872.60	2,850.46

The unused tax losses is not likely to generate taxable income in foreseeable future. The losses can be carried forward as per details below:

₹/Lacs

Expiry Date	As at 31.03.2021	As at 31.03.2020
31.3.2023	157.14	157.14
31.3.2024	1,191.33	1,191.33
31.3.2025	1,155.31	1,155.31
31.3.2026	268.69	268.69
31.3.2027	2,241.55	2,844.00
31.3.2029	181.51	-
No limit	4,011.51	3,519.62
Total	9,207.06	9,136.09

HCL Learning Limited

34 Leases:

a) Finance Leases:

As Lessor:

(i) The Company has given on finance lease certain assets/inventories which comprise of computers 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 31.03.2021 and its present value as at that date are as follows:

₹/Lacs

	Total minimum lease receivable	Interest included in minimum lease receivable	Present value of minimum lease receivable
Not later than one year			
As at 31.03.2021	**393.03**	**112.71**	**280.32**
As at 31.03.2020	(393.03)	(112.71)	(280.32)
Later than one year and not later than five years			
As at 31.03.2021	-	-	-
As at 31.03.2020	-	-	-
Total			
As at 31.03.2021	**393.03**	**112.71**	**280.32**
As at 31.03.2020	(393.03)	(112.71)	(280.32)

Note: Previous period's figures are given in brackets. Financial leases was fully provided in previous year.

b) Cancelable Operating Leases

As Lessee:

(i) The Company has taken various residential/commercial premises under cancelable operating leases. These leases are for a period of eleven months to three years and are normally renewable on expiry.

(ii) The rental expense in respect of operating leases is ₹ 0.57 Lacs (2020 - ₹ 1.53 Lacs) which is disclosed as rent expense under 'other expenses'.

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of plant & machinery given on operating lease are as below:

₹/Lacs

	As at 31.03.2021	As at 31.03.2020
Gross Block	3.34	3.34
Accumulated Depreciation	3.34	3.34
Net Block	-	-
Depreciation Expense	-	-

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HCL Learning Limited

35 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'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 31.03.2021	Year ended 31.03.2020
Profit /(loss) after tax (₹/lacs)	**(61.93)**	1111.10
Weighted average number of shares considered as outstanding in computation of Basic EPS	**75,274**	75,274
Weighted average number of shares outstanding in computation of Diluted EPS	**75,274**	75,274
Basic EPS (of ₹10/- each)	**(82.27)**	1,476.07
Diluted EPS (of ₹10/- each)	**(82.27)**	1,476.07

There are no dilutive equity shares as at year end.

36 Segment Reporting

The Company's business falls within a single primary business and geographical segment, i.e. learning business which includes training services and educational content and related hardware offerings for private schools, colleges and other education institutes and vocational training. Accordingly, pursuant to Indian Accounting Standard 108, on Operating Segments, segment information is not required to be disclosed.

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HCL Learning Limited

37 The Company has calculated the various benefits provided to employees as under:

(a) **Defined Contribution**

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

	Year ended 31.03.2021	Year ended 31.03.2020
		₹/Lacs
(i) Employers contribution to Employee State Insurance*	0.00	0.08
(ii) Employers contribution to Employee's Pension Scheme 1995*	0.08	0.81

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Refer Note 24).

(b) **Defined Benefit**

(i) Gratuity
(ii) Provident Fund#

As a part of the ongoing rationalization of the business, the learning business is being scaled down. As a result, no active manpower was left as at March 31, 2021. Therefore no actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based in accordance with Ind AS 19. However, information for the comparitive period is mentioned below:

	Gratuity	
	March 31, 2021	March 31, 2020
Discount rate (per annum)	-	5.66%
Rate of increase in compensation levels	-	5.00%
Rate of return on plan assets	-	-
Expected statutory interest rate	-	-
Expected short fall in interest earnings	-	-
Expected average remaining working lives of employees (years)	-	0.11

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.

		₹/Lacs
	Gratuity	
	31.03.2021	31.03.2020
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	1.41	2.46
Acquisition Adjustment	-	-
Current service cost	-	0.18
Interest cost	-	0.18
Total amount recognised in profit or loss	-	0.36
Actuarial (gain)/loss from change in demographic assumptions	-	(0.04)
Actuarial (gain)/loss from change in financial assumptions	-	0.00
Experience (gain)/loss	-	(0.76)
Total amount recognised in other comprehensive income	-	(0.80)
Benefits (paid) /adjusted	(1.41)	(0.61)
Present value of obligation at the end of the year	-	1.41

	Gratuity	
	31.03.2021	31.03.2020
Cost recognised for the year :		
Current service cost	-	0.18
Past service cost	-	-
Interest cost	-	0.18
Actuarial (gain)/loss	-	(0.80)
Net cost recognised for the year*	-	(0.44)

* 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 24) and actuarial (gain)/ loss in other comprehensive income.

HCL Learning Limited

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

₹/Lacs

	Gratuity	
	31.03.2021	31.03.2020
Present value of the obligation as at the end of the year	-	1.41
Fair value of plan assets at the end of the year	-	-
Assets/(Liabilities) recognised in the Balance Sheet	-	1.41
Experience adjustment in plan liabilities	-	(0.76)
Experience adjustment in plan assets	-	-

In respect of certain eligible employees, the Company is a participant in a provident fund plan which is administered through a multi employer trust. The participants have an obligation to make good any deficiency in the interest to be paid by the Trust to it's members and the income earned by it. Accordingly the plan is as a defined benefit plan. The trust has obtained an actuarial valuation of the Provident fund liability as at the Balance Sheet date and as per valuation report, there is no shortfall as on March 31, 2021. The valuation report contained details for the disclosure requirement of the Ind AS 19 "Employee Benefits" for the trust as a whole, however breakup into respective entities is not available and accordingly the disclosures for provident fund liability as required by Ind AS -19 "Employee Benefits" has not been made in these financial statements. The Company's contribution to provident fund for the year is ₹ 0.07 Lacs (2020 - ₹ 0.64 Lacs) which has been included under Contribution to Provident and Other Funds (Refer Note 24).

38 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 preceeding three financial years towards Corporate Social Responsibility ("CSR"). 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.

39 The Board of Directors of Holding Company i.e. HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Holding Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business , the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ('NCLT') at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger.

Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial statements.

40 HCL Learning Limited (the Company) had entered into a agreement with PCCW Solutions Limited to transfer its invenstment in HCL Insys Pte Ltd after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited), for a total consideration of ` 30,335 lakhs. The transaction was completed on November 15, 2019.

Due to the above development in previous financial year, the Company had realised a profit of ` 1832.26 lacs which was disclosed as exceptional item in Statment of profit and loss account.

41 **Disclosure of Micro and small Enterprises based on information available with the Company:**

₹/Lacs

		As at 31.03.2021	As at 31.03.2020
a. (i)	Principal amount remaining unpaid to any supplier as at the end of the year.	0.14	0.11
(ii)	Interest due on the above amount.	0.08	0.03
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.	9.38	5.05
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.	0.18	0.13
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.	-	-

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HCL Learning Limited

HCL Learning Limited
Notes to the Financial Statements

42 As at March 31, 2021, the Company has accumulated losses and its net worth has been fully eroded and the Company's current liabilities exceeded its current assets by ₹ 4,889.41 lacs (2020 - ₹ 5,047.39 lacs). The Company's management is pursuing strategies which include merger of company's operation with the Holding Company and will have access to necessary financial support for its operations. The Board of Directors of HCL Infosystems Limited, which in turn has obtained financial support from a significant promoter shareholder, has issued a support letter to the Company. Considering the above support, the Company's management and Board of Directors are of the view 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, the financial statements have been prepared on a going concern basis.

43 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 results. 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 results as and when these material changes to economic conditions arise.

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 24, 2021

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

Dilip Kumar Srivastava
Director
DIN - 06847137

Neelesh Agarwal
Director
DIN - 00149856

Noida, June 24, 2021

Annexure-X

HCL Learning Limited
Unaudited Balance Sheet as at June 30, 2021 (Provisional)

		Notes		As at 30.06.2021 ₹/Lacs		As at 31.03.2021 ₹/Lacs
I.	**ASSETS**					
	(1) Non-current assets					
	Property, plant and equipment	3(a)	-		-	
	Intangible assets	3(b)	-		-	
	Financial assets					
	(i) Other financial assets	4	22.20		22.10	
	Advance income tax (net)	5	103.16		137.16	
	Other non-current assets	6	47.07	172.43	47.07	206.33
	(2) Current assets					
	Inventories	7	2.42		2.42	
	Financial assets					
	(i) Trade receivables	8	-		-	
	(ii) Cash and cash equivalents	9	15.30		69.40	
	(iii) Other bank balances other than (ii) above	10	-		-	
	(iv) Other financial assets	11	0.17		0.17	
	Other current assets	12	44.11	62.00	51.09	123.08
	Total Assets			234.43		329.41
II.	**EQUITY AND LIABILITIES**					
	(1) Equity					
	Equity share capital	13	7.53		7.53	
	Other equity	14	(4,737.75)	(4,730.22)	(4,690.61)	(4,683.08)
	(2) Liabilities					
	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	15	-		-	
	(ii) Other financial liabilities	16	-		-	
	Provisions	15	-	-	-	-
	Current liabilities					
	Financial liabilities					
	(i) Borrowings	15	4,831.74		4,882.80	
	(ii) Trade payables	16				
	(a) Total outstanding dues of micro enterprises and small enterprises		-		0.14	
	(b) Total outstanding dues other than micro enterprises and small enterprises		107.11		104.99	
	(iii) Other financial liabilities	17	3.74		3.74	
	Other current liabilities	18	4.77		3.53	
	Provisions	19	17.29	4,964.65	17.29	5,012.49
	Total Equity and Liabilities			234.43		329.41

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

Dilip Kumar Srivastava
Director
DIN - 06847137

New Delhi, September 27, 2021

HCL Learning Limited
Unaudited Statement of profit and loss for the period ended June 30, 2021(Provisional)

	Notes		Period ended 30.06.2021 □/Lacs		Year ended 31.03.2021 □/Lacs
Income :					
Revenue from operations	20		-		-
Other income	21		5.41		238.84
Total Income			5.41		238.84
Expenses :					
Purchases of stock-in-trade			-		2.42
Changes in inventories of finished goods, stock-in -trade	22		-		(2.42)
Other direct expense	23		-		2.94
Employee benefits expense	24		-		4.50
Finance costs	25		46.60		180.44
Depreciation and amortization expense	3(a), 3(b)		-		-
Other expenses	26		5.95		112.89
Total Expenses			52.55		300.77
Loss before exceptional items and tax			(47.14)		(61.93)
Exceptional items	40		-		-
Profit/(loss) before tax			(47.14)		(61.93)
Income tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		-	-	-	-
Profit/(loss) for the period			(47.14)		(61.93)
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
- Gain/(loss) on remeasurement of defined benefit plan		-	-	-	-
Total comprehensive income/(loss) for the year			(47.14)		(61.93)
Earning per equity share:	35				
(1) Basic			(62.62)		(82.27)
(2) Diluted			(62.62)		(82.27)

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

HCL Learning Limited

Dilip Kumar Srivastava
Director
DIN - 06847137

New Delhi, September 27, 2021

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

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 2021, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

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 2021, and loss 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Material Uncertainty on Going Concern

We draw attention to note 57 of the standalone financial statements, which states that the Company has accumulated losses and has incurred a net loss of Rs. 204.76 crore during the current year. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 31 March 2021. 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.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

Description of Key Audit Matter

Recoverability of loans given to certain subsidiaries

See note 2.14 (a) and 14 to the standalone financial statements

The key audit matter	**How the matter was addressed in our audit**
The Company has given loans to its subsidiaries amounting to Rs. 2.81 crores (net of impairment losses Rs. 81.78 crores). Assessment of the recoverable amount of loans including interest thereon given to these subsidiaries has been identified as a key audit matter due to: • Significance of the carrying amount of these balances and these subsidiaries have been incurring losses. • This assessment requires the Company to make significant estimates and judgements of the future cash flows, qualitative assessments of the projects in those subsidiaries and timelines of expected project approvals. • Changes to any of these estimates and judgements may lead to material changes in the estimated recoverable amount, impacting both the potential impairment charge and the recognition of interest income.	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: • Evaluating design, implementation and operating effectiveness of controls over process followed for recoverability of principal and interest. • Assessing the projections prepared by the Company and the assumptions used, with particular attention to the following: -assessing the reasonableness of the cash flow forecasts through analysis of past performance vis-a-vis previous forecasts and our knowledge of the business of the Company; -performing sensitivity analyses of the key assumptions used in the forecasts to determine the appropriate level of impairment and interest income to be recognised; - understanding the nature and duration of the ongoing projects in the respective subsidiaries to determine the likely timing of recovery of the loans; • Assessing, whether disclosures made in the standalone Ind AS financial statements are in compliance, with the applicable accounting standards.

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 financial statements and our auditors' 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' Responsibility 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 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 in the standalone financial statements 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 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.

ii. The Company has long-term contract for which there were no material foreseeable losses. The company did not have any long term derivative contracts as on 31 March 2021.

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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) which are required to be commented upon by us

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

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABG9347

Place: New Delhi
Date :25-June-2021

Annexure A referred to in our Independent Auditor's Report to the Members of HCL Infosystems Limited on the standalone financial statement for the year ended 31 March 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified by the management in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material 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 deed of immovable properties included in fixed assets are held in the name of the Company, except for the immovable property mention below:

(Rs. in crores)

Particulars	Gross Block	Net Block
Land and Buildings at Ambattur, Chennai	5.58	3.08

(ii) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to books records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) of the order not applicable to the Company.

(iv) According to the information and explanations given to us, there are no loans, guarantee and security given by the Company in respect which provisions of Section 185 of the Companies Act, 2013 are applicable. Further, provisions of Section 186 of the Companies Act, 2013 have been complied with respect to loans given, investments made, guarantees and security given by the Company. Also refer note 52 to the standalone financial statements.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Goods and Services tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate Authorities.

According to information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax and Goods and service tax which have not been deposited by the Company on account of disputes, except for the following:

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount 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
Customs Act, 1962	Customs	0.02	-	2008-09	Commissioner (Appeals)
Customs Tariff Act, 1975	Customs	40.49	5.00	2005-2009	CESTAT
Finance Act, 1994	Service Tax	70.94	5.00	2003-06, 2010-11 to 2013-14	High Court
Finance Act, 1994	Service Tax	351.86	13.25	2006-2009, 2010-2015	CESTAT
Goods and Services Tax, 2017	SGST	0.02	-	2018-19	Deputy Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	8.05	2.26	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15	Additional Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	0.93	0.17	2014-15	Additional Commissioner
Sales Tax/ Value added Act under various states*	Sales Tax	6.31	0.00	2007-08, 2010-11, 2011-12, 2016-17, 2017-18	Assessing Officer
Sales Tax/ Value added Act under various states	Sales Tax	0.36	0.06	2003-04, 2005-06, 2006-07, 2010-11, 2012-13, 2013-14, 2014-15, 2016-17	Assistant Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	19.06	1.54	2003-04, 2004-05, 2005-06, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Deputy Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	10.13	1.79	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Deputy Commissioner (Appeals)

Name of Act	Nature of dues	Demand (In crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax/ Value added Act under various states	Sales Tax	0.12	0.08	2005-06, 2006-07, 2007-08, 2008-09	High Court
Sales Tax/ Value added Act under various states	Sales Tax	11.74	1.34	2007-08, 2009-10, 2014-15, 2015-16, 2016-17	Joint Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	8.02	2.09	2004-05, 2008-09, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	Joint Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	1.37	0.45	2001-02, 2003-04, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2012-13, 2013-14, 2014-15	Sales Tax Tribunal
Sales Tax/ Value added Act under various states	Sales Tax	0.01	0.01	2013-14	Special Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	24.30	53.56	2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	Tax Board
Sales Tax/ Value added Act under various states	Sales Tax	0.01	-	2009-10 and 2014-15	Intelligence Officer
Entry Tax Act	Entry Tax	0.09	-	2008-09, 2009-10	Additional Commissioner (Appeals)
Entry Tax Act	Entry Tax	0.34	0.05	2008-11	Assessing Officer
Entry Tax Act	Entry Tax	0.25	0.02	2008-09, 2009-10, 2010-11, 2014-15, 2014-15, 2016-17	Deputy Commissioner (Appeals)
Entry Tax Act	Entry Tax	0.58	0.09	2012-13, 2012-14	High Court
Entry Tax Act	Entry Tax	0.09	0.11	2010-11, 2011-12, 2014-15	Tax Board
Central Sales tax Act, 1956	CST	1.44	0.45	2007-08, 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	Additional Commissioner (Appeals)
Central Sales tax Act, 1956	CST	0.07	0.03	2004-05, 2005-06, 2008-09, 2009-10,2010-11, 2011-12, 2012-13, 2013-14, 2014-15	Assessing Officer
Central Sales tax Act, 1956	CST	0.11	0.03	2003-04, 2013-14, 2014-15, 2015-16	Assistant Commissioner

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Central Sales tax Act, 1956	CST	3.16	1.00	2003-04, 2004-05, 2006-07, 2007-08, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2011-12, 2012-13, 2013-14	Deputy Commissioner
Central Sales tax Act, 1956	CST	7.15	0.70	2006-07, 2008-09, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2012-13, 2013-14, 2015-16, 2017-18	Deputy Commissioner (Appeals)
Central Sales tax Act, 1956	CST	0.28	0.30	2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2016-17	Joint Commissioner
Central Sales tax Act, 1956	CST	0.75	0.47	2005-06, 2011-12, 2013-14, 2014-15	Joint Commissioner (Appeals)
Central Sales tax Act, 1956	CST	2.68	1.43	2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2010-11, 2011-12, 2014-15, 2015-16	Sales Tax Tribunal
Central Sales tax Act, 1956	CST	0.10	-	2013-14	Special Commissioner (Appeals)
Central Sales tax Act, 1956	CST	0.66	-	2006-07, 2008-09	Tax Board
Central Sales tax Act, 1956	CST	0.37	0.11	2004-05, 2013-14, 2014-15, 2015-16	Commercial Tax Officer
Central Sales tax Act, 1956	CST	1.55	0.46	2012-13, 2013-14	Department of Trade and Taxes
Central Sales tax Act, 1956	CST	1.48	0.01	2010-11, 2011-12, 2014-15, 2015-16	ETO - Haryana
Central Sales tax Act, 1956	CST	0.04	-	2015-16	AVTO- DELHI
Central Sales tax Act, 1956	CST	0.02	-	2015-16, 2016-17	Sales Tax Officer
Central Sales tax Act, 1956	CST	0.01	-	2015-16	Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	2.60	2.79	2004-05, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Commercial Tax Officer

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax/ Value added Act under various states	Sales Tax	4.08	-	2015-16	Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	2.85	0.13	2010-11,2011-12	Uppar Auykat Appeals
Sales Tax/ Value added Act under various states	Sales Tax	2.25	0.31	2012-13, 2013-14, 2014-15	ETO
Sales Tax/ Value added Act under various states*	Sales Tax	0.00	0.01	2015-16	Senior Joint Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	0.12	0.04	2013-14	Assistant Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	0.21	0.14	2009-10	Tax Officer
Entry Tax Act	Entry Tax	0.09	0.04	2008-09, 2009-10, 2010-11, 2011-12, 2013-14, 2014-15	Commercial Tax Officer
Entry Tax Act	Entry Tax	0.01	0.01	2009-10, 2016-17	Joint Commissioner
Entry Tax Act	Entry Tax	0.27	0.19	2011-12, 2012-13, 2013-14	Joint Commissioner (Appeals)
Entry Tax Act	Entry Tax	0.02	0.02	2012-13, 2016-17	Assistant Commissioner
Income tax Act, 1961	Income tax	19.95	-	2006-07 and 2013-14	Income tax Appellate tribunal
Income tax Act, 1961	Income tax	10.75	-	2005-2006, 2006-07, 2011-12 and 2017-18	Commissioner of Income Tax (Appeals)

* Represents demand below Rs one lac.

(viii) According the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks or financial institution. The Company did not have any outstanding loans or borrowings from Government and there were no debentures issued during the year or outstanding as at 31 March 2021.

(ix) According to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of records of the Company, the managerial remuneration has paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with the Section 177 and Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of 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, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Batra

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABG9347

Place: New Delhi
Date :25-June-2021

Annexure B to the Independent Auditors' report on the standalone financial statements of HCL Infosystems Limited for the year ended 31 March 2021.

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 2021 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 2021, 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 standalone 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 Standalone 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 Standalone 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 Registration No.:116231W/W-100024

Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABG9347

Place: New Delhi
Date :25-June-2021

HCL Infosystems Limited
Standalone Balance Sheet as at March 31, 2021

		Notes		As at 31.03.2021 ₹/Crores		As at 31.03.2020 ₹/Crores
I.	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	3 (a)	35.13		53.60	
	Right of use assets	3 (b)	-		0.84	
	Capital work-in-progress	3(c)	0.16		-	
	Intangible assets	4	0.08		0.36	
	Financial Assets					
	(i) Investments	5	0.04		0.04	
	(ii) Other financial assets	6	36.36		34.85	
	Deferred tax assets (net)	7	-		-	
	Advance income tax (net)	8	39.14		44.46	
	Other non-current assets	9	165.46	276.37	196.96	331.11
(2)	**Current assets**					
	Inventories	10	0.53		24.24	
	Financial Assets					
	(i) Trade receivables	11	14.64		158.38	
	(ii) Cash and cash equivalents	12	18.52		37.56	
	(iii) Bank balances other than (ii) above	13	5.67		22.22	
	(iv) Loans	14	2.81		203.56	
	(v) Other financial assets	15	16.28		34.33	
	Other current assets	16	21.36		46.43	
	Assets held for sale	51	15.05	94.86	-	526.72
	Total Assets			371.23		857.83
II.	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	17	65.84		65.84	
	Other equity	18	(310.68)	(244.83)	(105.66)	(39.82)
(2)	**Liabilities**					
	Non-current liabilities					
	Financial liabilities					
	(i) Borrowings	19(i)	59.03		22.75	
	(ii) Lease obligation	19(ii)	-		1.03	
	Provisions	20	0.84	59.87	2.27	26.05
	Current liabilities					
	Financial liabilities					
	(i) Borrowings	21	414.89		420.60	
	(ii) Trade payables	22				
	(a) Total outstanding dues of micro enterprises and small enterprises		1.89		6.71	
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		38.50		341.49	
	(iii) Other financial liabilities	23	75.58		76.38	
	Other current liabilities	24	13.48		14.63	
	Provisions	25	11.84	556.19	11.79	871.60
	Total Equity and Liabilities			371.23		857.83
	Significant Accounting Policies	2				

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 25, 2021

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 Sachdeva
Manager

Komal Bathla
Company Secretary

Noida, June 25, 2021

HCL Infosystems Limited
Standalone Statement of Profit and Loss for the period ended March 31, 2021

	Notes		Year ended 31.03.2021 ₹/Crores		Year ended 31.03.2020 ₹/Crores
Income :					
Revenue from operations	26		217.36		1,648.13
Other income	27		23.63		29.65
Total income			240.99		1,677.78
Expenses :					
Cost of materials consumed			0.00		0.00
Purchase of stock-in-trade			181.48		1,547.99
Changes in inventories of stock-in-trade	28		23.71		61.06
Other direct expense	29		0.78		6.89
Employee benefits expense	30		28.38		36.54
Finance costs	31		49.50		84.27
Depreciation and amortization expense	3.4		4.03		7.41
Other expenses	32		66.99		66.81
Total expenses			354.87		1,830.96
Loss before exceptional items and tax			(113.88)		(153.18)
Exceptional items	36		(90.88)		(101.71)
Loss before tax			(204.76)		(254.89)
Income tax expense:					
Current tax		-		-	
Deferred tax	48	-	-	63.55	63.55
Loss for the year			(204.76)		(318.44)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
(i) Gain/(loss) on remeasurement of defined benefit plan	43	(0.25)		(0.21)	
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		-	(0.25)	-	(0.21)
Total comprehensive loss for the year			(205.01)		(318.65)
Earnings per share (in ₹)	43				
- Basic and diluted (of ₹ 2/- each)			(6.22)		(9.67)
Significant accounting policies	2				

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

Sandeep Batra
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New Delhi, June 25, 2021

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Company Secretary

Noida, June 25, 2021

HCL Infosystems Limited
Standalone Cash Flow Statement for the year ended March 31, 2021

			Year ended 31.03.2021 ₹/Crores		Year ended 31.03.2020 ₹/Crores
1. Cash Flow from Operating Activities:					
Loss before tax			(204.76)		(254.89)
Adjustments for:					
Depreciation and amortisation expense		4.03		7.41	
Finance cost		49.50		84.27	
Interest income		(2.70)		(14.94)	
Net profit on sale of properties		(0.19)		(15.74)	
Property, plant and equipment written-off		0.40		0.12	
Provision against inter company deposits given to subsidiaries		84.57		117.36	
Loss on conversion of inter company deposits into Optionally Convertible Debentures		6.31		-	
Gain on foreign exchange fluctuation		(0.63)		(0.94)	
Provision for doubtful debts		3.28		4.09	
Provisions for other current assets		17.80		-	
Provisions/liabilities no longer required written back		(14.88)	146.49	(1.98)	179.68
Operating (loss)/ profit before working capital changes			(58.27)		(75.21)
Changes in operating assets and liabilities					
- Decrease in trade receivables		140.44		217.08	
- Increase in non-current assets		31.49		(15.28)	
- Decrease in current assets		44.23		50.14	
- Decrease in inventories		23.71		61.06	
- (Decrease)/increase in non current liabilities		(1.43)		(3.76)	
- Decrease in current liabilities		(319.10)	(80.72)	(181.16)	128.07
Cash generated from operations			(138.99)		52.86
- Taxes (paid) / refund received (net)			6.73		(2.52)
Net cash generated from operating activities	(A)		(132.26)		50.34
2. Cash flow from investing activities:					
Purchase of properties plant and equipments and intangible assets		(0.37)		(0.32)	
Proceeds from sale of properties		0.53		29.91	
Interest received		2.29		14.94	
Redemption/maturity of bank deposits (net)		14.58		85.57	
Movement in margin money account (net)		0.52		(3.55)	
Movement in balances with banks on dividend account		-		0.12	
Inter corporate deposits given		(285.72)		(470.20)	
Inter corporate deposits received back		379.41		665.62	
Receipt of business consideration on sale of investment in subsidiories		-	111.24	50.21	372.30
Net cash generated from investing activities	(B)		111.24		372.30
3. Cash Flow from Financing Activities:					
Proceeds from loans and borrowings		1,782.77		1,785.43	
Repayment of loans and borrowings		(1,729.88)		(2,120.40)	
Lease obligation paid		(1.03)		(1.49)	
Interest paid		(49.82)		(87.29)	
Unclaimed dividend transferred to investor protection fund		(0.47)	1.57	(0.12)	(423.87)
Net cash used in financing activities	(C)		1.57		(423.87)
Net decrease in cash and cash equivalents	(A+B+C)		(19.45)		(1.23)
Opening balance of cash and cash equivalents			37.56		38.99
Exchange difference on translation of foreign currency cash and cash equivalent			0.41		(0.20)
Closing balance of cash and cash equivalents			18.52		37.56
Cash and cash equivalents comprise of			18.52		37.56
Cash, cheques and drafts (on hand)			-		-
Balances with banks on current accounts			18.52		37.56

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 25, 2021

For and on behalf of the Board of Directors of
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Director
DIN - 06847503

Kaushik Dutta
Director
DIN - 03328890

Alok Sahu
Chief Financial Officer

Raj Sachdeva
Manager

Komal Bathla
Company Secretary

Noida, June 25, 2021

HCL Infosystems Limited
Standalone Statement of Changes in Equity for the period ended March 31, 2021

a. Equity Share Capital

₹/Crores

	Number of Equity Shares	Equity Share Capital
Balance as at 01.04.2019	329,209,928	65.84
Balance as at 31.03.2020	329,209,928	65.84
Balance as at 01.04.2020	329,209,928	65.84
Balance as at 31.03.2021	329,209,928	65.84

b. Other Equity

₹/Crores

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2019	1,194.38	215.83	(1,197.22)	212.99
Loss for the year	-	-	(318.44)	(318.44)
Other comprehensive income for the year	-	-	(0.21)	(0.21)
Balance as at 31.03.2020	1,194.38	215.83	(1,515.87)	(105.66)
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 income for the year	-	-	(0.25)	(0.25)
Balance as at 31.03.2021	1,194.38	215.83	(1,720.88)	(310.66)

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

Sandeep Batra
Partner
Membership Number - 093320

For and on behalf of the Board of Directors of
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Chief Financial Officer

Raj Sachdeva
Manager

Komal Bathla
Company Secretary

New Delhi, June 25, 2021

Noida, June 25, 2021

HCL Infosystems Limited
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 25.06.2021.

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.

HCL INFOSYSTEMS LTD.

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.

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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.

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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

HCL INFOSYSTEMS LTD.

the period of license.

Intangible Assets are amortised at straight line basis as follows:

Software	1-5 years

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

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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

HCL INFOSYSTEMS LTD. *

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

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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

HCL INFOSYSTEMS LTD.

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

HCL INFOSYSTEMS LTD.

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.

HCL INFOSYSTEMS LTD.

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

HCL INFOSYSTEMS LTD.

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.

HCL INFOSYSTEMS LTD. *

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

HCL INFOSYSTEMS LTD.

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:

HCL INFOSYSTEMS LTD.

- 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.

HCL Infosystems Limited
Notes to the Standalone Financial Statements

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 01.04.2020	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

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

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

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal/ Adjustment*	As at 31.03.2020	As at 01.04.2019	Additions	Disposal/ Adjustment*	As at 31.03.2020	As at 31.03.2020
Leasehold land	12.33	-	-	12.33	0.60	0.16	-	0.76	11.57
Leasehold improvements	1.47	-	-	1.47	1.04	0.43	-	1.47	-
Freehold land^	3.90	-	-	3.90	-	-	-	-	3.90
Buildings^	36.95	-	-	36.95	3.92	1.12	-	5.04	31.91
Plant and machinery	3.56	-	0.07	3.49	2.13	0.48	0.07	2.54	0.95
Furniture and fixtures	5.97	-	0.04	5.93	2.89	0.61	0.04	3.46	2.47
Office equipment	2.34	0.13	0.10	2.37	1.29	0.39	0.10	1.58	0.79
Vehicles	1.87	-	0.28	1.59	1.59	0.26	0.28	1.57	0.02
Computers	6.05	0.27	0.53	5.79	2.74	1.57	0.51	3.80	1.99
Total	74.44	0.40	1.02	73.82	16.20	5.02	1.00	20.22	53.60

^Land and Building at Ambattur amounting to ₹ 3.12 crores (2019 - ₹ 3.16 crores) are pending for registration in the name of the Company.

HCL INFOSYSTEMS LTD. ★

HCL Infosystems Limited
Notes to the Standalone Financial Statements
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	-

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2020	Additions / Adjustment	Disposal/ Adjustment	As at 31.03.2020	As at 01.04.2020	Additions / Adjustment	Disposal/ Adjustment	As at 31.03.2020	As at 31.03.2020
Right of use assets	-	2.52	-	2.52	-	1.68	-	1.68	0.84
Total	-	2.52	-	2.52	-	1.68	-	1.68	0.84

3(c) Capital work-in-progress

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

4 . Intangible Assets
The changes in carrying value of intangible assets

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Amortisation				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

₹/Crores

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal/ Adjustment	As at 31.03.2020	As at 01.04.2019	Additions	Disposal/ Adjustment	As at 31.03.2020	As at 31.03.2020
Software	2.37	0.13	-	2.50	1.43	0.71	-	2.14	0.36
Total	2.37	0.13	-	2.50	1.43	0.71	-	2.14	0.36

HCL INFOSYSTEMS LTD. ★

HCL Infosystems Limited
Notes to the Standalone Financial Statements

5 Non-current investments

	As at 31.03.2021 Units	As at 31.03.2021 Amount ₹/Crores	As at 31.03.2020 Units	As at 31.03.2020 Amount ₹/Crores
Unquoted				
Investments in equity instruments of subsidiaries (At cost)				
Digilife Distribution and Marketing Services Limited	56,050,000	56.05	56,050,000	56.05
Pimpri Chinchwad eServices Limited	42,500	0.04	42,500	0.04
HCL Infotech Limited	220,300	668.46	220,300	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

	Amount ₹/Crores	Amount ₹/Crores
-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

HCL INFOSYSTEMS LTD.

		As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
6	**Other non-current financial assets**		
	Security deposits	0.67	0.66
	Balance with bank- margin money	13.41	11.96
	Business consideration receivable	22.28	22.23
	*Balances held as margin money towards obtaining Bank Guarantees.		
		36.36	34.85
7	**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 (2020 - ₹ 46.65 crores)]	39.14	44.46
		39.14	44.46
9	**Other non-current assets**		
	Unsecured		
	Capital advances	0.01	0.01
	Deposits with tax authorities	165.44	196.94
	Prepaid expenses	0.01	0.01
		165.46	196.96
10	**Inventories**		
	Stock-in-trade [Including in-transit ₹ 0.04 crores (2020 - ₹ 2.81 crores)]	0.53	24.24
		0.53	24.24

Write - downs of inventories to net realisable value recognised as an expense during the year amounts to Nil (2020 - ₹ 1.54 crores). These were included in changes in value of inventories of stock-in-trade and finished goods' in standalone statement of profit and loss.

			31.03.2021		31.03.2020
11	**Trade receivables**				
	Unsecured:				
	Considered good	14.64		158.38	
	Credit impaired	21.20		37.98	
		35.84		196.36	
	Less : Allowance for doubtful debts	21.20	14.64	37.98	158.38
			14.64		158.38

			As at 31.03.2021 ₹/Crores		As at 31.03.2020 ₹/Crores
12	**Cash and cash equivalents**				
	Balances with banks				
	- Current account		18.52		37.56
	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	-
			18.52		37.56
13	**Other bank balances**				
	Deposits with remaining maturity up to 12 months*		1.07		17.10
	Balances with banks				
	- On margin account^		4.60		5.12
			5.67		22.22

* includes ₹ 1.07 crores (2020- ₹ 17.10 crores) lien marked with Banks.

^ includes ₹ 1.47 crores (2020- ₹ 1.38 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)		2.81		203.56
	Considered doubtful				
	Loans and advances to subsidiaries (refer note 46)	70.05		363.04	
	Less: Allowance for doubtful loans and advances to subsidiaries	70.05	-	363.04	-
			2.81		203.56

Note.
Unsecured loan given to subsidiaries is repayable on demand and carries interest rate 3.56%-4.00% pa.

15	**Other current financial assets**				
	Considered good				
	Security deposits		0.18		0.32
	Claims recoverable from vendor		2.30		29.03
	Others* (refer note 46)		3.55		4.98
	Considered doubtful				
	Others (includes employee advances, insurance claim recoverable)	5.06		1.06	
	Less: Allowance for doubtful advances	5.06	-	1.06	-
	Other Financial Assets (refer note 53)		10.25		
			16.28		34.33

* includes ₹ 3.55 crores (2020 - ₹ 2.40 crores) recoverable from related parties and Nil crores (2020 - ₹ 1.47 crores) of business consideration receivable from Quess Corp Limited.

16	**Other current assets**				
	Unsecured				
	Considered good				
	Balances with customs, port trust, excise, sales tax and goods and service tax authorities		6.56		38.21
	Advances to creditors		0.20		0.57
	Prepaid expenses		3.58		5.05
	Others recoverable		2.34		2.60
	Considered Doubtful				
	Deposits and other advances	2.12		5.78	
	Less: Allowance for doubtful advances	2.12	-	5.78	-
	Other current assets (refer note 53)		8.67		
			21.56		46.43

HCL INFOSYSTEMS LTD. *

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
17 Share capital		
Authorised		
55,25,00,000 Equity Shares (2020 - 55,25,00,000) of ₹ 2/- each	110.50	110.50
5,00,000 Preference Shares (2020 - 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 (2020 - 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	164,421,399	49.94	164,421,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	42,603,194	12.94	42,603,194	12.94

(iii) Shares reserved for issue under options:

Information related to Employee Stock Option Plan, including details of options issued, exercised, expired and forfeited during the previous financial year and options outstanding at the end of the reporting period, is set out in note 41.

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/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	(1,515.87)	(1,197.22)
Net Loss for the year	(204.76)	(318.44)
Remeasurement of post employment benefit obligation, (net of tax)	(0.25)	(0.21)
Closing balance	(1,720.88)	(1,515.87)
	(310.68)	(105.66)

HCL INFOSYSTEMS LTD.

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
19(i) Non-current borrowings		
Unsecured:		
Term Loans		
- From others	59.03	22.75
	59.03	22.75
19(ii) Lease obligation (refer note 42)	-	1.03
	-	1.03

Notes:

1. Unsecured Term loans from Others amounting to ₹ 122.35 Crores (2020 - ₹ 63.75 Crores), out of which ₹ 63.32 Crores (2020 - ₹ 41.00 Crores) is shown under current maturity of long term debt, is repayable in 12 equal quarterly instalments from the date of the disbursement which carries interest @ 10.75% to 11.24% p.a.

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
20 Non-current provisions		
Provision for gratuity and other employee benefits (refer note 45) [includes ₹ 0.15 crores (2020 - 0.41) for leave encashment and ₹ 0.04 crores (2020 - ₹ 0.15 crores) other employee benefits]	0.84	2.27
	0.84	2.27

HCL INFOSYSTEMS LTD.

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
21 Current borrowings		
Secured:		
Loans from banks		
- Term loans	-	362.62
- Cash credits	-	11.29
	-	373.91
Unsecured:		
Loans		
- From others*	99.89	20.69
- From related parties (refer note 46)	315.00	26.00
	414.89	46.69
	414.89	420.60

Notes:

1. Secured Term Loan from Banks amounting to ₹ Nil Crores (2020 - ₹ 50.00 Crores) is secured by way of (1) First pari passu charge on all immovable, movable and intangible assets of the HCL Infosystems Limited and it's subsidiaries (2) First pari-passu charge on all current assets of the HCL Infosystems Limited and it's subsidiaries (except lease rental receivables). (3) Negative lien on two identified properties. It carries interest @ 8.75% p.a.

2.Short Term Loan of ₹ Nil Crores (2020 - ₹ 74.00 Crores) is secured by way of subservient charge on stock and receivables of the Company and against support from HCL Corporation Private Limited and carries interest @ 9.35% p.a.

3. Secured Loan (Cash Credit and WCDL) from Banks amounting to ₹ Nil Crores (2020 - ₹ 100.78 Crores) are secured by way of (1) First pari passu charge on 9 identified immovable, movable and intangible assets of the HCL Infosystems Limited and it's subsidiaries (2) First pari-passu charge on all current assets of the HCL Infosystems Limited and it's subsidiaries (except lease rental receivables). (3) Negative lien on two identified properties. (4) Lien on Fixed Deposit of ₹ 1.01 Crs.

4. Unsecured Intercorporate Loan from HCL Corporation Private Limited amounting to ₹ 315 Crs (2020 - ₹ 26 Crs) is repayable in 11 months from the date of availment of each tranche, which is interest free.

5. Secured Term loans from Banks amounting to ₹ Nil Crores (2020 - ₹ 149.13 Crores) is secured by way of subservient charge on current assets of the Company and against Support from HCL Corporation Private Limited and lien on fixed deposit for ₹ 16.09 crores is repayable in 1 yearly installments from the date of the disbursement which carries interest @ 8.50% p.a.

6. Short Term Loan of ₹ 99.88 Crores (2020 - NIL Crores) is supported by Corporate Gurantee 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.

* Includes ₹ Nil crores (2020- ₹ 20.69 crores) of extended supplier's credit.

Note: As at 31.03.2021, subsidiaries include HCL Infotech Limited, Digilife Distribution and Marketing Services Limited and HCL Learning Limited.

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
22 Trade payables (refer note 46)		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 38) and	1.89	6.71
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises [includes acceptance ₹ Nil crores (2020 - ₹ 25.19 crores)]	38.50	341.49
	40.39	348.20

HCL INFOSYSTEMS LTD. *

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
23 Other current financial liabilities		
Current maturities of long-term debts (refer note 19(i))	63.32	41.00
Interest accrued but not due on borrowings	2.35	2.67
Other payable to related parties (refer note 46)	-	14.11
Deposits	1.34	3.11
Unpaid dividends/ deposits*	-	0.47
Employee benefits payable	6.37	14.82
Capital creditors	0.20	0.20
Advances received against sale of HCL Infotech Limited (refer Note 49)	2.00	-
	75.58	76.38

* includes outstanding matured deposits of ₹ Nil crores (2020 - ₹ 0.47 crores) transferred to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013, during the current year.

24 Other current liabilities		
Deferred revenue	2.62	1.28
Advances received from customers	3.61	6.93
Others	1.86	3.03
Statutory dues payable	1.14	3.39
Advances received against Non-current assets held for sale	4.25	-
	13.48	14.63
25 Current provisions		
Provision for gratuity and other employee benefits (refer note 45)#	3.46	5.29
Provision for litigation (refer note 37 (c))	8.38	6.50
	11.84	11.79

[# includes ₹ 0.24 Crores (2020- ₹ 0.50 crores) for provision for leave encashment and ₹ 2.07 Crores (2020 - ₹ 3.13 Crores) for other employee benefits]

HCL INFOSYSTEMS LTD. *

Gurugram

		Year ended 31.03.2021 ₹/Crores	Year ended 31.03.2020 ₹/Crores
26	**Revenue from operations**		
	Sale of products	217.08	1,642.97
	Sale of services	0.28	5.16
		217.36	1,648.13
27	**Other income**		
	Interest income from financial asset at amortised cost		
	- On fixed deposits (gross)	2.25	4.87
	- On intercompany deposits	0.04	10.07
	Net profit on sale of property, plant and equipment	0.19	0.09
	Gain on foreign exchange fluctuation	0.22	1.14
	Provisions/liabilities no longer required written back	14.88	1.95
	Scrap sale	0.14	0.13
	Miscellaneous income	5.91	11.40
		23.63	29.65
28	**Changes in inventories of stock-in-trade**		
	Closing balance		
	- Stock-in-trade	0.53	24.24
		0.53	24.24
	Opening balance		
	- Stock-in-trade	24.24	85.30
		24.24	85.30
	Changes in inventories of stock-in-trade	23.71	61.06
29	**Other direct expenses**		
	Purchase of services	0.41	6.33
	Spares and stores consumed	0.37	0.56
		0.78	6.89
30	**Employee benefits expense**		
	Salaries, wages, bonus and gratuity (refer note 45)	27.32	54.42
	Contribution to provident and other funds (refer note 45)	0.86	1.65
	Staff welfare expenses	0.20	0.47
		28.38	56.54
31	**Finance costs**		
	Interest*	46.88	70.91
	Other borrowing costs	2.62	13.36
		49.50	84.27

*includes ₹ 0.04 crores (2020 - ₹ 0.18) interest on lease obligations (refer note 42)

HCL INFOSYSTEMS LTD.

		Year ended 31.03.2021 ₹/Crores	Year ended 31.03.2020 ₹/Crores
32	**Other expenses**		
	Rent (refer note 42)	2.30	5.90
	Rates and taxes	27.25	12.39
	Printing and stationery	0.22	0.30
	Communication	0.55	0.70
	Travelling and conveyance	0.02	3.37
	Packing, freight and forwarding	0.61	2.18
	Legal, professional and consultancy charges (refer note 40)	16.16	18.35
	Retainership expenses	5.47	5.79
	Training and conference	0.01	0.38
	Office electricity and water	1.72	2.93
	Insurance	3.68	6.05
	Advertisement, publicity and entertainment	0.42	0.21
	Hire charges	0.02	0.20
	Commission on sales	0.17	0.45
	Bank charges	1.16	4.57
	Allowance for doubtful debts	3.28	4.09
	Property, plant and equipment written-off	0.40	0.12
	Repairs		
	- Plant and machinery	0.00	0.27
	- Buildings	0.06	0.53
	- Others	8.13	3.16
	Miscellaneous	2.82	2.70
		74.45	74.64
	Less: Operating cost recovered from subsidiaries	7.46	7.83
		66.99	66.81

HCL INFOSYSTEMS LTD.

HCL Infosystems Limited
Notes to the Standalone Financial Statements

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	6	-	-	36.36	36.36	36.36
		-	-	(34.85)	(34.85)	(34.85)
		0.04	-	36.36	36.40	36.40
		(0.04)	-	(34.85)	(34.89)	(34.89)
Current assets						
(i) Trade receivables	11	-	-	14.64	14.64	14.64
		-	-	(158.38)	(158.38)	(158.38)
(ii) Cash and cash equivalents	12	-	-	18.52	18.52	18.52
		-	-	(37.56)	(37.56)	(37.56)
(iii) Bank balances other than (ii) above	13	-	-	5.67	5.67	5.67
		-	-	(22.22)	(22.22)	(22.22)
(iv) Loans	14	-	-	2.81	2.81	2.81
		-	-	(203.56)	(203.56)	(203.56)
(v) Others	15	-	-	16.28	16.28	16.28
		-	-	(34.33)	(34.33)	(34.33)
		-	-	57.91	57.91	57.91
		(-)	(-)	(456.05)	(456.05)	(456.05)
Financial liabilities						
Non-current liabilities						
(i) Borrowings	19(i)	-	-	59.03	59.03	59.03
		-	-	(22.75)	(22.75)	(22.75)
(ii) Lease obligation	19(ii)			-	-	-
				(1.03)	(1.03)	(1.03)
		-	-	59.03	59.03	59.03
		(-)	(-)	(23.78)	(23.78)	(23.78)
Current liabilities						
(i) Borrowings	21	-	-	414.89	414.89	414.89
		-	-	(420.60)	(420.60)	(420.60)
(ii) Trade payables	22	-	-	40.39	40.39	40.39
		-	-	(348.20)	(348.20)	(348.20)
(iii) Other financial liabilities	23	-	-	75.58	75.58	75.58
		-	-	(76.38)	(76.38)	(76.38)
		-	-	530.86	530.86	530.86
		(-)	(-)	(845.18)	(845.18)	(845.18)

Note: Previous year figures are given in brackets.

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HCL INFOSYSTEMS LTD.

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
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Indian rupee (INR)	Hedging percentage sensitivity analysis	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Replacement of high cost debt with low cost debt

The Company's risk management is carried out by the treasury and credit control department under policies approved by the senior management and audit committee.

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HCL INFOSYSTEMS LTD.

Gurugram

Financial Risk Management
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 majorty 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
	As at 31.03.2021	As at 31.03.2020
Not Due	7.88	47.64
0-90 days past due	3.57	72.52
91-180 days past due	0.22	14.72
181-365 days past due	3.12	22.33
1 - 2 years past due	0.71	12.09
More than 2 years past due	20.34	27.06
	35.84	196.36

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
	As at 31.03.2021	As at 31.03.2020
Balance at the beginning	37.98	35.93
Add: Provided during the year	3.28	4.09
Less: Amounts written off	(20.06)	(2.04)
Balance at the end	21.20	37.98
Weighted average loss rate (in percentage)	59.15%	19.34%

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HCL INFOSYSTEMS LTD.

Gurugram

HCL Infosystems Limited
Notes to the Standalone Financial Statements

Financial Risk Management
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	-	-	-	-	-	-
	(373.91)	(11.29)	(362.62)	(0.00)	-	-
-From Others	537.25	-	478.21	59.03	-	-
	(110.44)	-	(87.69)	(22.75)	-	-
Lease obligation	-	-	-	-	-	-
	(1.03)	-	-	(1.03)	-	-
Trade payables	40.39	-	40.39	-	-	-
	(348.20)	-	(348.20)	-	-	-
Other financial liabilities						
-Deposits	1.34	-	1.34	-	-	-
	(3.11)	-	(3.11)	-	-	-
-Interest accrued but not due on borrowings	2.35	-	2.35	-	-	-
	(2.67)	-	(2.67)	-	-	-
-Other Payable to related parties	-	-	-	-	-	-
	(14.11)	-	(14.11)	-	-	-
-Capital Creditors	0.20	-	0.20	-	-	-
	(0.20)	-	(0.20)	-	-	-
-Unpaid dividends/ deposits	-	-	-	-	-	-
	(0.47)	-	(0.47)	-	-	-
-Employee Benefits Payable	6.37	-	6.37	-	-	-
	(14.82)	-	(14.82)	-	-	-
-Others	2.00	-	2.00	-	-	-
	(0.00)	-	(0.00)	-	-	-
Total non-derivative liabilities	589.90	-	530.85	59.03	-	-
	(868.96)	(11.29)	(833.89)	(23.78)	(0.00)	(0.00)

Note: Previous year figures are given in brackets.

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HCL INFOSYSTEMS LTD.

Financial Risk Management
Market Risk

(i) Interest rate risk
The Company's main interest rate risk arise from borrowings with variable interest rates, which exposes the Company to cash flow interest rate risk. As at 31.03.2021, the Company has Nil (2020- ₹ 11.29 crores) 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

	As at 31.03.2021	As at 31.03.2020
Variable rate borrowings	-	11.29
Fixed rate borrowings	537.25	473.06
Total borrowings	**537.25**	**484.35**

As at the end of the reporting period, the Company had the following variable rate borrowings:

	31.03.2021			31.03.2020		
	Weighted average interest rate	**Balance**	**% of total loans**	Weighted average interest rate	Balance	% of total loans
Bank loans, Cash credits		-		10.03%	11.29	2.33%
Net exposure to cash flow interest rate risk		-			11.29	

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

₹/Crores

	Impact on loss after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Interest rates – increase by 10 basis points	-	(0.01)	-	(0.01)
Interest rates – decrease by 10 basis points	-	0.01	-	0.01

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HCL INFOSYSTEMS LTD. ★

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	EUR	GBP	SGD
Financial Assets				
Trade receivables	8.60	-	-	-
	(7.75)	-	-	(2.67)
Cash and cash equivalents	-	-	-	0.02
	(0.00)	-	-	(0.06)
Net exposure to foreign currency risk (assets)	8.60	-	-	0.02
	(7.75)	-	-	(2.73)
Financial Liabilities				
Trade Payables	2.92	-	-	-
	(10.68)	(0.03)	(0.01)	-
Derivative liabilities				
Foreign exchange forward contracts	-	-	-	-
	(-7.53)	-	-	-
Net exposure to foreign currency risk (liabilities)	2.92	-	-	-
	(3.15)	(0.03)	(0.01)	-

Note: Previous year figures are given in brackets.

(a) 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.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
USD sensitivity	5%	0.28	0.23	(0.28)	(0.23)
EUR sensitivity	5%	-	(0.00)	-	0.00
GBP sensitivity	5%	-	(0.00)	-	0.00
SGD sensitivity	5%	0.00	0.14	(0.00)	(0.14)

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 31.03.2021 and 31.03.2020 are as follows:

₹/Crores

	As at 31.03.2021	As at 31.03.2020
Total Debt	537.25	484.35
Equity	(244.83)	(39.82)
Capital and net debt	292.41	444.53
Gearing ratio	183.73%	108.96%

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HCL INFOSYSTEMS LTD.

36 Exceptional items :

Particulars	Year ended 31.03.2021	₹/Crores Year ended 31.03.2020
a. Loss on conversion of loan given to HCL Infotech Limited into Optionally Convertible Debentures (OCD)	(6.31)	-
b. Provision against loan given to HCL Infotech Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited	(81.78)	(117.36)
c. Provision for loss in subsidiary	(2.79)	-
d. Profit on sale of properties	-	15.65
Total	**(90.88)**	(101.71)

a) The company has recognised a loss on of ₹ 6.31 Crores, upon conversion of net balance of unsecured loan, into Optionally Convertible Debentures. (refer note 52).

b) The Company has made provision of ₹ 84.57 crores (FY 2020 - ₹ 117.36 crores) against loan given to 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 31.03.2021, 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. Further, in case of HCL Learning and Digilife Distribution and Marketing Services Limited, the Company doesn't expect significant operation over the next period, accoridngly management based on future cash flow projection has considered these loan as doubtful and created a provision to the extent it is not recoverable.

c) The Company has made provision of ₹ 2.79 Crores, on account of accumulated losses and errosion of net worth of HCL Infotech Limited, as at the balance sheet date.

d) The company has recognised a profit on the sale of properties of ₹ 15.65 crores in previous financial year.

37 a) Contingent liabilities :

Claims against the Company not acknowledged as debts:

Particulars	As at 31.03.2021	₹/Crores As at 31.03.2020
Sales tax*	120.01	288.82
Excise*	459.78	151.73
Income tax	30.69	30.79
Industrial disputes, civil suits and consumer disputes	2.35	1.49

* Includes sum of ₹ 135.38 crores (2020 - ₹ 113.73 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 (2020- ₹ 157.44 crores) was given to banks and financial institutions for working capital facilities sanctioned to subsidiaries of which the total amount utilised as at 31.03.2021 is ₹ 0.98 crores (2020 - ₹ 3.19 crores).

c) Other litigations :

(i) The Company has been named in a supplementary charge sheet filed with the Court with respect to a contract awarded to the Company in 2009 by the UP state Government, amounting to ₹ 2.94 crores (2020 - ₹ 2.94 crores), for the supply of computer hardware and related services under the National Rural Health Mission and therefore summons have been issued by the Court. CBI special court has framed charges against the company and its employee. Currently the proceedings has been stayed by Supreme Court. The management is of the view that the company has not engaged in any wrong doing.

(ii) As at 31.03.2021, the Company has certain sales tax and other indirect tax litigation matters against which provision amounts to ₹ 8.38 crores (2020 - ₹ 6.50 crores) is outstanding. Provision amounting to ₹ 2.72 crores (2020 - ₹ 3.57 crores) was created and ₹ 0.84 crores (2020 - ₹ 1.92 crores) was utilized during the year.

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HCL INFOSYSTEMS LTD.

38 Disclosure of Micro and Small Enterprises based on information available with the Company:

		As at 31.03.2021	As at 31.03.2020
			₹/Crores
a.	(i) Principal amount remaining unpaid to any supplier as at the end of the year	**1.89**	6.71
	(ii) Interest due on the above amount	**0.10**	0.12
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	**28.89**	53.91
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	**0.54**	1.22
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*:

	Year ended 31.03.2021	Year ended 31.03.2020
		₹/Crores
a. Statutory audit	**0.50**	0.72
b. Limited Review	**0.24**	0.51
c. Tax audit fees /certifications	**0.08**	0.12
d. Out of pocket expenses	**0.02**	0.13
Total	**0.84**	1.48

* excluding GST as applicable

41 Employee Stock Option Plan (ESOP):

The Company had previously granted options to eligible employees under the Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005, which were to be vested in a graded manner over a period of 42 and 60 months respectively from the date of grant and are to be exercised with in a maximum period of 5 years from the date of vesting.
The shareholders of the Company in the last year's Annual General Meeting held on 29th September 2020 had approved the amendment of Employee Stock Option Scheme 2000 (Scheme 2000) and Employee Stock Based Compensation Plan 2005 (Scheme 2005) by inserting the "Amendment and termination clause" in the schemes, thereby Board of Directors of the Company had terminated these schemes.

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HCL INFOSYSTEMS LTD.

Gurugram

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	31.03.2021	1.87	-	1.87	-
	31.03.2020	(1.87)	-	(1.87)	-
Building	31.03.2021	13.47	1.46	12.01	0.25
	31.03.2020	(13.47)	(1.19)	(12.28)	(0.23)
Plant and Machinery	31.03.2021	2.16	1.93	0.23	0.23
	31.03.2020	(2.16)	(1.71)	(0.45)	(0.36)
Furniture and Fixtures and Office Equipments	31.03.2021	5.22	3.31	1.92	0.48
	31.03.2020	(5.22)	(2.82)	(2.40)	(0.53)
Computers	31.03.2021	0.16	0.16	0.00	-
	31.03.2020	(0.16)	(0.16)	(0.00)	(0.00)
TOTAL	31.03.2021	22.88	6.85	16.03	0.96
	31.03.2020	(22.88)	(5.88)	(17.00)	(1.12)

Note: Previous year figures are given in brackets.

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 31.03.2021	Year ended 31.03.2020
Depreciation expense - right-of-use assets (refer note 3)	0.56	1.68
Interest on lease liabilities (refer note 31)	0.04	0.18
Rent expense - short term leases (refer note 32)	2.30	5.90

Total cash outflow for leases during the year ended 31 March 2021 is ₹ 1.03 crores (2020 - ₹ 1.49 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 31.03.2021	Year ended 31.03.2020
Loss after tax (₹/Crores)	(204.76)	(318.44)
Weighted average number of shares outstanding in computation of Basic EPS	329,209,928	329,209,928
Weighted average number of shares outstanding in computation of Diluted EPS	329,209,928	329,209,928
Basic and diluted (of ₹ 2/- each)	(₹6.22)	(₹9.67)

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.

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HCL INFOSYSTEMS LTD.

45 Employee benefits

(a) Defined Contribution

The Company has recognised the following amounts in the statement of profit and loss:

	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
(i) Employers Contribution to Superannuation Fund*	0.14	0.20
(ii) Employers Contribution to National Pension Scheme*	0.06	0.10
(iii) Employers contribution to Employee State Insurance*	0.00	0.01
(iv) Employers contribution to Employee's Pension Scheme 1995*	0.25	0.52

* 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:

	Gratuity		Provident Fund	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Discount rate (per annum)	4.59%	5.66%	-	-
Rate of increase in compensation levels	5.00%	5.00%	-	-
Rate of return on plan assets	-	-	-	-
Expected statutory interest rate	-	-	8.50%	8.50%
Expected short fall in interest earnings	-	-	0.05%	0.05%
Expected average remaining working lives of employees (years)	10.25	14.00	10.25	14.00

As of 31.03.2021, every 0.5 percentage point increase / decrease in discount rate will affect gratuity benefit obligation by approximately by ₹ 0.01 crores.

As of 31.03.2021, 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.

HCL INFOSYSTEMS LTD.

₹/Crores

	As at 31.03.2021		As at 31.03.2020	
	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	3.37	133.22	3.86	148.80
Current service cost	0.09	1.06	0.27	1.55
Interest cost	0.19	10.95	0.29	10.86
Acquisition adjustment	-	-	-	-
Total amount recognised in profit or loss	0.28	12.01	0.56	12.41
Actuarial (gain)/loss from change in demographic assumptions	0.01	-	(0.04)	-
Actuarial (gain)/loss from change in financial assumptions	0.02	0.00	0.22	0.00
Experience (gain)/loss	(0.28)	0.09	0.03	2.77
Total amount recognised in other comprehensive income	(0.25)	0.09	0.21	2.77
Benefits paid	(1.97)	(19.84)	(1.26)	(36.98)
Settlements/transfer in	-	1.36	-	1.31
Contribution by plan participants	-	3.82	-	4.91
Present value of obligation at the end of the year	1.44	130.66	3.37	133.22

	As at 31.03.2021	As at 31.03.2020
	Provident Fund	Provident Fund
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	152.56	169.71
Expected return on plan assets	12.79	13.37
Contribution by employer	1.06	1.55
Settlements/transfer In	1.36	1.31
Contribution by employee	3.82	4.91
Benefit paid	(19.84)	(36.98)
Actuarial gain/(loss) on plan assets	-	-
Difference in opening	-	(1.31)
Fair value of plan assets at the end of the year	151.75	152.56

	As at 31.03.2021		As at 31.03.2020	
Cost recognised for the year :	Gratuity	Provident Fund	Gratuity	Provident Fund
Current service cost	0.09	-	0.27	-
Company contribution to provident fund @	-	1.06	-	1.55
Past service cost	-	-	-	-
Interest cost	0.19	-	0.29	-
Actuarial (gain)/loss	(0.25)	-	0.21	-
Interest guarantee liability	-	-	-	-
Shortfall in fund	-	-	-	-
Net cost recognised for the year*	0.04	1.06	0.77	1.55

* 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 ₹ 0.40 crores (2020 - ₹ 0.82 crores) and the remaining relates to other related companies as mentioned above.

The major categories of plan assets are as follows:

	As at 31.03.2021	As at 31.03.2020
	Unquoted in %	Unquoted in %
Central government securities	41.62	42.33
State government securities	19.90	19.12
Public sector bonds	25.31	27.56
Special deposit scheme	10.65	10.57
Equity	0.55	0.21
Bank balance	1.97	0.21
Total	100.00	100.00

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

Gratuity

₹/Crores

	As at 31.03.2021	As at 31.03.2020
Present value of the obligation as at the end of the year	1.44	3.37
Fair value of plan assets at the end of the year	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(1.44)	(3.37)
Experience adjustment in plan liabilities	(0.28)	0.03
Experience adjustment in plan assets	-	-

Provident Fund

₹/Crores

	As at 31.03.2021	As at 31.03.2020
Present value of the obligation as at the end of the year	(130.66)	(133.22)
Fair value of plan assets at the end of the year	151.75	152.56
Assets/(Liabilities) recognised in the Balance Sheet	-**	-**

The Company expects to pay ₹ 0.80 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.

HCL INFOSYSTEMS LTD.

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 Insys Pte. Limited, Singapore (till 15.11.2019)
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
HCL Talent Care Private Limited
Koura & Co.
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, subject to the approval of shareholders in the Annual General Meeting to be held in Financial Year 2021-22

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.

Mr. Rangarajan Raghavan (Managing Director, till 31.03.2020)

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HCL INFOSYSTEMS LTD.

HCL Infosystems Limited

Summary of Related Party disclosures

(₹/Crores)

A. Transactions (YTD)	Company having substantial interest^#		Subsidiaries		Others		Key Management Personnel		Total	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Sales and Related Income	-	0.03	11.55	15.89	17.23	191.89	-	-	28.78	207.81
- HCL Corporation Limited	-	0.03	-	-	-	-	-	-	-	-
- HCL Comnet Limited	-	-	-	-	-	7.91	-	-	-	-
- Digilife Distribution and Marketing Services Ltd.	-	-	11.55	15.89	-	-	-	-	-	-
- HCL Technologies Limited	-	-	-	-	17.14	182.20	-	-	-	-
- Shiv Nadar Foundation	-	-	-	-	-	0.62	-	-	-	-
- HCL Foundation	-	-	-	-	-	0.28	-	-	-	-
-SSN Trust	-	-	-	-	0.02	0.38	-	-	-	-
-KRN Education Private Limited	-	-	-	-	0.04	0.26	-	-	-	-
-HCL Avitas Private Limited	-	-	-	-	-	0.18	-	-	-	-
-HCL Traning & Staffing Services Private Limited	-	-	-	-	-	0.07	-	-	-	-
-Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	0.03	0.03	-	-	-	-
-HCL Corporation Private Limited	-	-	-	-	-	0.01	-	-	-	-
Assets Sold	-	-	0.05	-	-	-	-	-	0.05	-
-HCL Infotech Limited	-	-	0.05	-	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	0.14	-	-	-	0.14
- HCL Software Products Ltd.	-	-	-	-	-	0.14	-	-	-	-
Purchase of Fixed Assets	-	-	0.02	0.01	-	-	-	-	0.02	0.01
-HCL Infotech Limited	-	-	0.02	-	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	-	0.01	-	-	-	-	-	-
Impairment allowance provided on loan and advances	-	-	81.78	117.36	-	-	-	-	81.78	117.36
- HCL Infotech Limited	-	-	73.12	80.48	-	-	-	-	-	-
- HCL Learning Limited	-	-	7.16	36.88	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	1.50	-	-	-	-	-	-	-
Current borrowings taken (net)	289.00	26.00	-	-	-	-	-	-	289.00	26.00
- HCL Corporation Pvt. Ltd.	289.00	26.00	-	-	-	-	-	-	289.00	26.00
Loans and Advances Refunded/Adjusted (Net)	-	-	699.55	276.72	-	-	-	-	699.55	276.72
- HCL Infotech Limited %	-	-	699.55	-	-	-	-	-	-	-
- HCL Learning Limited	-	-	-	276.72	-	-	-	-	-	-
Loans and Advances Given (Net)	-	-	5.39	122.33	-	-	-	-	5.39	122.33
- HCL Infotech Limited	-	-	-	122.31	-	-	-	-	-	-
- HCL Learning Limited	-	-	1.13	-	-	-	-	-	-	-
- Pimpri Chinchwad eServices Ltd.	-	-	0.00	0.02	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	4.26	-	-	-	-	-	-	-
Interest Charged on Loans & Advances Given	-	-	0.04	10.07	-	-	-	-	0.04	10.07
- HCL Infotech Limited	-	-	-	-	-	-	-	-	-	-
- HCL Learning Limited	-	-	-	10.07	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	0.04	0.00	-	-	-	-	-	-
Interest Payable on Loans & Advance Taken	2.07	1.80	-	-	-	-	-	-	2.07	1.80
- HCL Corporation Pvt. Ltd.	2.07	1.80	-	-	-	-	-	-	-	-
Rent Received	-	-	-	-	2.49	3.38	-	-	2.49	3.38
- HCL Technologies Limited	-	-	-	-	1.65	2.08	-	-	-	-
- HCL Comnet Limited	-	-	-	-	-	0.30	-	-	-	-
- HCL Training & Staffing Services Pvt. Ltd.	-	-	-	-	0.83	1.00	-	-	-	-
Remuneration	-	-	-	-	-	-	2.09	3.42	2.09	3.42
- Mr. Rangarajan Raghavan	-	-	-	-	-	-	-	1.48	-	-
- Mr. Sushil Jain	-	-	-	-	-	-	0.59	0.60	-	-
- Mr. Kapil Kapur	-	-	-	-	-	-	1.50	1.34	-	-
Reimbursements towards expenditure	-	-	-	-	-	-	-	-	-	-
a) Received	-	-	12.65	12.24	-	-	-	-	12.65	12.24
- HCL Infotech Limited	-	-	12.63	8.66	-	-	-	-	-	-
- HCL Learning Limited	-	-	0.00	0.44	-	-	-	-	-	-
- HCL Insys Pte Limited, Singapore**	-	-	-	2.46	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Ltd.	-	-	0.02	0.71	-	-	-	-	-	-
- Nurture Technologies FZE, Dubai (formerly known as HCL Infosystems MEA FZE)	-	-	-	0.06	-	-	-	-	-	-
b) Paid	0.50	0.78	-	-	-	-	-	-	0.50	0.78
- HCL Corporation Pvt. Ltd.	0.50	0.78	-	-	-	-	-	-	-	-
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	-	-	5.31	4.68	1.45	38.96	-	-	6.76	43.64
Current borrowings	315.00	26.00			-	-	-	-	315.00	26.00
Loans and Advances (Gross)	-	-	72.86	566.60	-	-	-	-	72.86	566.60
Impairment allowance on loan and advances	-	-	-70.05	-363.04	-	-	-	-	-70.05	-363.04
Trade Payables	-	0.22	2.24	137.35	0.37	0.49	-	-	2.61	138.06
Investment in Optionally Convertible Debentures (OCD) $	-	-	18.92	-	-	-	-	-	18.92	-
Other Recoverable	0.07	0.07	3.61	2.33	-	-	-	-	3.68	2.40
Other Payables	-	-	-	14.11	-	-	-	-	-	14.11

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.

* Prepared till 31st May, 2018 as the Company has signed Share Purchase Agreement and Debenture Subscription Agreement on 31st May, 2018.

** Prepared till 15th Nov, 2019 as the Company has transferred its shares to other party on 15th Nov, 2019.

^# Corporate guarantee utilised ₹ 100 crores (2020 - ₹ 224 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 ₹ 18.92 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)

HCL INFOSYSTEMS LTD.

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Compensation of key management personnel of the Company*	Year ended 31.03.2021	Year ended 31.03.2020
		₹/Crores
Short-term employee benefits	2.09	3.42
Total compensation paid to key management personnel	2.09	3.42

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.

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HCL INFOSYSTEMS LTD.

Gurugram

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 31.03.2021**				As at 31.03.2020			
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	**0.05**	**4.26**	**21.83**	**48.83**	0.05	-	721.37	47.70
c. Maximum amount outstanding	**0.05**	**4.26**	**740.86**	**48.83**	0.05	-	721.37	342.33

₹/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 31.03.2021**			As at 31.03.2020		
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.

	31.03.2021	31.03.2020
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		
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

HCL INFOSYSTEMS LTD.

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

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*:
Major components of deferred tax arising on account of timing difference along with their movement as at 31.03.2021 are:

₹/Crores

	As at 31.03.2020	Movement during the year	As at 31.03.2021
Assets			
Unrealised gain on indexation of land	-	-	-
Provision for doubtful debts/advances/other current assets	-	-	-
Tax losses	-	-	-
Impact of expenditure charged to statement of profit and loss but allowable for tax purpose in future years	-	-	-
MAT credit	-	-	-
Total (A)	-	-	-
Difference between WDV of fixed assets as per books and under Income tax Act, 1961	-	-	-
Duties, taxes and cess allowed for tax purpose on payment basis	-	-	-
Total (B)	-	-	-
Net deferred tax assets (A)-(B)	-	-	-

* The Company has recognized deferred tax assets to the extent deferred tax liabilities available. Further, during the year deferred tax assets amounting Nil (2020- ` 63.55 crores) has been written off due to lack of reasonable certainty of taxable future profits against which deferred tax assets can be utilized.

(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 31.03.2021	Year ended 31.03.2020
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	-	11.70
Decrease / (increase) in deferred tax assets		51.85
Total deferred tax expense/(benefit)	-	63.55
Income tax expense	-	63.55

₹/Crores

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	Year ended 31.03.2021	Year ended 31.03.2020
Loss before income tax expense	(204.76)	(254.89)
Tax at the Indian tax rate of 31.20% (2020 – 31.20%)	(63.88)	(79.53)
Disallowances for which deferred tax not created		
Impairment of investment and inter corporate deposits	26.39	36.62
Other items	-	-
Decrease / (increase) in MAT credit	-	11.70
Decrease / (increase) in deferred tax assets	-	51.85
Tax losses for which no deferred tax was recognised	37.50	42.91
Income tax expense	-	63.55

₹/Crores

Tax Losses	As at 31.03.2021	As at 31.03.2020
Unused tax losses and depreciation for which no deferred tax assets has been recognised	445.56	336.03
Potential tax benefit @ 31.2% (2020 - 31.20%)	139.01	104.84

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 31.03.2021	As at 31.03.2020
31.03.2021	-	5.30
31.03.2025	50.08	50.08
31.03.2026	78.04	78.04
31.03.2027	57.04	56.97
31.03.2028	122.87	122.87
31.03.2029	111.09	-
No limit	26.44	22.77
Total	445.56	336.03

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HCL INFOSYSTEMS LTD.

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 30 September 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 customers of our key defense project which is forming part of the deal has asked us to maintain status quo and further explore alternative options. The Company is in active discussion with the investor and the customer and this transaction is expected to take longer time than expected initially with of change in terms. Since, the closure of transaction is subject to certain conditions precedents, which are considered to be substantive in nature, the accounting effect of the above transaction has not been considered in these financial Statements.

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 these financial statements

51 **Property, plant and equipment held for sale**

In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company. Pursuant to the Board approval dated January 25, 2021, May 18, 2021 and May 27, 2021, the Company has intended to dispose the four properties located in Mohali, Sector-11 Noida, Sederapet and Hyderabad, having gross carrying amount of ₹ 19.86 crores, accumulated depreciation of ₹ 4.81 crores and net carrying amount of ₹ 15.05 crores, for a consideration of ₹ 79.86 crores.

Out of abovementioned four properties, the Company has sold three properties located in Mohali, Sector-11 Noida and Sederapet as on the date of approval of the financial statements for issue. For one property located at Hyderabad, the Company has identified the buyer and transfer the title of such property is expected in the near future.

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. (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, has transferred its rights to receive cash flows from those specified book receivables and favourable 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) has been derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs.

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 ₹14.88 Crores, for the year ended March 31,2021 (2020: ₹ 1.95 Crores), on account of write back of certain old payables and provisions.

55 The Board of Directors of the Company in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ('NCLT') at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger.

Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial statements.

56 The Board of Directors of the Company in its meeting held on August 06, 2019 approved to sell the entire shareholding held by HCL Learning Limited (a Subsidiary of HCL Infosystems Limited) in HCL Insys Pte Ltd Singapore (step subsidiary), after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited). The sale has been made to PCCW Solutions Ltd for a total consideration of ₹ 303.35 crores. The transaction was completed on November 15, 2019.

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HCL INFOSYSTEMS LTD.

57 As at March 31, 2021, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss of ₹ 204.76 Crores, during the current year (March 31, 2020: ₹ 318.44 Crores) and the Company's current liabilities exceeded its current assets by ₹ 461.32 Crores (March 31, 2020: ₹ 344.88 Crores) as at March 31, 2021. The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. 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 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.

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

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 25, 2021

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

Rai Sachdeva
Manager

Komal Bathla
Company Secretary

Noida, June 25, 2021

Annexure-XII

HCL INFOSYSTEMS LIMITED

Unaudited Standalone financial results for the quarter ended June 30, 2021

Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
CIN - L72200DL1986PLC023955
Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791
Website www.hclinfosystems.in
Email ID: cosec@hcl.com

Standalone Statement of Profit and Loss for the quarter ended June 30, 2021 **(Rs. In Lakhs)**

	Particulars	Standalone			
		Three months ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		Unaudited	Audited	Unaudited	Audited
1	**Income**				
	Revenue from operations	309	727	7,118	21,736
	Other income	776	1,431	370	2,363
	Total Income	**1,085**	**2,158**	**7,488**	**24,099**
2	**Expenses**				
(a)	Cost of materials consumed	-	-	-	-
(b)	Purchase of stock-in-trade	441	(64)	6,104	18,148
(c)	Changes in inventories of finished goods and stock-in-trade	(184)	137	804	2,371
(d)	Employee benefits expense	187	398	1,016	2,838
(e)	Finance costs	531	874	1,500	4,950
(f)	Depreciation and amortization expense	49	74	130	403
(g)	Other expenses	1,389	1,927	1,071	6,777
	Total expenses	**2,413**	**3,346**	**10,625**	**35,487**
3	**Profit / (loss) before exceptional items and tax (1 - 2)**	**(1,328)**	**(1,188)**	**(3,137)**	**(11,388)**
4	Exceptional Items (loss) (refer note 2)	6,320	(3,363)	(342)	(9,088)
5	**Profit / (loss) before tax (3 - 4)**	**4,992**	**(4,551)**	**(3,479)**	**(20,476)**
6	Tax expense				
	(a) Current tax	-	-	-	-
	(b) Deferred tax expense	-	-	-	-
7	**Net profit / (loss) for the period (5 - 6)**	**4,992**	**(4,551)**	**(3,479)**	**(20,476)**
8	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss	-	(25)	-	(25)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income, net of income tax	**-**	**(25)**	**-**	**(25)**
9	**Total comprehensive income for the period (7 + 8)**	**4,992**	**(4,576)**	**(3,479)**	**(20,501)**
10	Paid-up equity share capital (face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584
11	Reserve as per balance sheet of previous accounting year				(31,067)
12	Earnings per share (of Rs 2/- each) (not annualised):				
	(a) Basic	1.52	(1.38)	(1.06)	(6.22)
	(b) Diluted	1.52	(1.38)	(1.06)	(6.22)

Notes

1. After recommendation by the Audit Committee, these results have been approved and taken on record by the Board of Directors at its meeting held on August 06, 2021.The statutory auditors have issued review report with unmodified opinion on these results.

2. Exceptional items include :

Particulars	Three months ended			Year ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	Unaudited	Audited	Unaudited	Audited
a. Profit on sale of property, plant and equipments (Refer Note 7)	6,203	-	-	-
b. Provision against loan given to subsidiary	117	(2,453)	(342)	(8,178)
c. Provision for loss in subsidiary#	-	(279)	-	(279)
d. Loss on conversion of ICD to OCD (Refer Note 9)	-	(631)	-	(631)
Total loss - (a+b)	**6,320**	**(3,363)**	**(342)**	**(9,088)**

The Company has made provision of Nil for the quarter ended June 30, 2021 (for the quarter and year ended March 31, 2021: Rs 279 Lakhs), on account of accumulated losses and errosion of net worth of HCL Infotech Limited.

3. As at June 30, 2021, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net profit of Rs. 4,992 Lakhs during the current period (March 31, 2021: net loss of Rs. 20,476 Lakhs) and the Company's current liabilities exceeded its current assets by Rs. 40,523 lakhs (March 31, 2021 Rs. 46,133 lakhs) as at June 30, 2021. The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. 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 4), sale of certain non-core properties (refer note 7) 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 Rs. 1,50,000 lakhs. 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 results have been prepared on a going concern basis.

4. 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 previous financial year ended March 31, 2021.

5. 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 results. 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 results as and when these material changes to economic conditions arise.

6. The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ('NCLT') at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger.
   Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results.

7. In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company, therefore during the quarter ended, June 30, 2021, the Company has disposed three properties located in Mohali, Sector-11 Noida and Sederapet, having net carrying amount of Rs.1,407 Lakhs, for a consideration of Rs. 7,610 Lakhs, resulting an overall gain of Rs. 6,203 Lakhs. (quarter and year ended March 31, 2021: Nil). Additionally, the Company has subsequently sold one property located at Hyderabad during the month of July 2021.

8. 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 30 September 2020 is Rs 14,700 Lakhs. 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 customers of our key defense project which is forming part of the deal has asked us to maintain status quo and further explore alternative options. The Company is in active discussion with the investor and the customer and this transaction is expected to take longer time than expected initially with of change in terms. Since, the closure of transaction is subject to certain conditions precedents, which are considered to be substantive in nature, the accounting effect of the above transaction has not been considered in these financial results.

9. 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 Rs. 40,000 Lakhs, 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 Rs.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 had recognised a loss on of Rs. 631 Lakhs, upon conversion of net balance of unsecured loan into OCD during the previous financial year ended March 31, 2021.

KAUSHIK DUTTA

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Date: 2021.08.06 17:25:19 +05'30'

10. The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 9, 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, has transferred its rights to receive cash flows from those specified book receivables and favorable 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 Rs. 1,892 Lakhs (including amount of Rs. 867 Lakhs of the contract assets) has been derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs.

11. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial results in the period in which the Code becomes effective and the related rules are published.

12. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2021 and the unaudited published year-to-date figures upto December 31, 2020 being the date of the end of the third quarter of the financial year which were subjected to a limited review.

13. Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

By order of the Board
for HCL Infosystems Limited

Kaushik Dutta
Director

KAUSHIK DUTTA

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Date: 2021.08.06 17:25:36 +05'30'

Place : Noida
Date : August 06, 2021

B S R & Associates LLP
Chartered Accountants

Building No.10,12th Floor Tower-B
DLF Cyber City, Phase-II
Gurugram – 122 002, India

Telephone: +91 124 7191000
Fax: +91 124 235 8613

To
Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **HCL Infosystems Limited** ("the company") for the quarter ended 30 June 2021("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"),prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:
5th Floor, LodhaExcelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

6. We draw attention to note 3 of the Statement, which states that the Company has accumulated losses and has incurred a profit of Rs. 4,992 Lakhs during the current quarter. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 30 June 2021. These conditions, along with other matters set forth in note 4, 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 3, 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 statement on a going concern basis.

   Our opinion is not modified in respect of this matter.

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

GIRISH ARORA
Digitally signed by GIRISH ARORA
Date: 2021.08.06 16:55:33 +05'30'

Girish Arora
Partner
Membership No: 098652
UDIN: 21098652AAAABC1791

Place: New Delhi
Date: 06 August 2021

HCL INFOSYSTEMS LIMITED
CIN- L72200DL1986PLC023955
Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi-110 019,
Corporate Office: A-11, First Floor, Sector – 3, Noida - 201301
Telephone: +91-120-2520977, 2526518, 2526519, Fax No.:+91-120-2523791
Website: www.hclinfosystems.in, Email: cosec@hcl.com

Sr. No.:_________

User ID: ___________________

Name of the creditor: Address :

Dear Creditor,

Subject: Instructions for joining the meeting to be held through VC and for e-voting during the meeting through electronic means

In compliance with the provisions of the NCLT order dated September 17, 2021 read with the rectification orders dated September 24, 2021 and order dated October 7, 2021, the Company is pleased to provide creditors, facility to exercise their right to vote on resolutions set forth in the notice for convening the Meeting of Unsecured Creditors of HCL Infosystems Limited scheduled to be held on Tuesday, November 30, 2021 at 02:30 P.M. through video conferencing as per the directions of the National Company Law Tribunal, Court-V, New Delhi Bench.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities.

The e-voting period begins on November 30, 2021 at 02:30 P.M. and ends after 15 minutes from the closure of the meeting. The e-voting module shall be disabled by NSDL for voting thereafter. The Unsecured creditors of the Company as on 31st March 2021, (cut-off date), may cast their vote electronically. The voting right of unsecured creditors shall be in proportion to the principal amount due to them as on 31st March, 2021.

The Creditors may join the meeting as per the instructions mentioned below and cast their votes using an electronic system ('e-voting') which is available at https://www.evoting.nsdl.com.

Instructions:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/member' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. The e-voting particulars are set out below:

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

5. For the first time the system will ask to reset your password.
6. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
7. Now, you will have to click on "Login" button.
8. After you click on the "Login" button, Home page of e-Voting will open.
9. Click on "EVEN" of company to cast your vote.
10. Now you are ready for e-Voting as the Voting page opens.
11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and also "Confirm" when prompted.
12. Upon confirmation, the message "Vote cast successfully" will be displayed.
13. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
14. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
15. **If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 1800 1020 990 /1800 224 430 or contact on email id evoting@nsdl.co.in**

INSTRUCTIONS FOR CREDITORS FOR ATTENDING THE CREDITORS MEETING THROUGH VC ARE AS UNDER:

1. Creditors will be provided with a facility to attend the Creditors meeting through VC through the NSDL e-voting system. Creditors may access the same at https://www.evoting.nsdl.com under login by using the e-voting credentials. The link for VC will be available in shareholder/member login where the EVEN of Company will be displayed. Creditors may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu.
2. Creditors are encouraged to join the Meeting through Laptops for better experience.
3. Further, Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS DURING THE MEETING

As the meeting is being conducted through VC, Creditors who would like to express their views or ask questions during the meeting may register themselves as speaker by sending a request to the Company at cosec@hcl.com and are encouraged to send their queries in advance mentioning their name, address and PAN, to enable smooth conduct of proceedings at the meeting. Registration requests/ Questions / Queries received by the Company on or before Tuesday, November 23, 2021 on the aforementioned e-mail id shall only be considered and responded to during the meeting.

Those Unsecured Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the meeting.