

HCL INFOSYSTEMS LTD.

Corporate Office: A-11, Sector 3, NOIDA 201301, 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

23rd August, 2024

To

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

Sub: Annual Report - FY 2023-24

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

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

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2023-24 along with the notice convening the 38th (Thirty Eighth) Annual General Meeting (AGM) of the members of HCL Infosystems Limited scheduled to held on Wednesday, 18th September 2024 at 10:00 A.M. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') facility.

The Notice of the AGM and the Annual Report (FY 2023-24) have also been uploaded on the Company's website at <https://www.hclinfosystems.in/investors/>

This is for your information and records.

Thanking you
For HCL Infosystems Limited

**Komal Bathla
Company Secretary & Compliance Officer
Membership No. A41455**

HCL INFOSYSTEMS LIMITED

CIN- L72200DL1986PLC023955

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

Telephone: +91-120-2520977, 2526518, 2526519

Website: www.hclinfosystems.in, Email: cosec@hcl.com

NOTICE

NOTICE is hereby given that the 38th (Thirty Eighth) Annual General Meeting of the members of HCL Infosystems Limited ("the Company") will be held on **Wednesday, 18th September 2024 at 10:00 A.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 31st March 2024, together with the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 31st March 2024 including the audited Balance Sheet as of 31st March, 2024, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon be and are hereby received, approved, and adopted."

2. To re-appoint Mr. Pawan Kumar Danwar (DIN 06847503), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pawan Kumar Danwar (DIN 06847503) Director retiring by rotation, in accordance with the Articles of Association of the Company and being eligible for re-appointment be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. **Approval for the remuneration to be paid to Mr. Raj Kumar Sachdeva, Manager of the Company.**

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution(s)**:

"RESOLVED THAT pursuant to Section 197, 198, Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) ("the Act") and subject to other necessary approval(s), consent(s), or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to pay the remuneration, on the basis of his existing terms and conditions, as recommended by Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 8th August 2024 and as set out in the explanatory statement annexed hereto, to Mr. Raj Kumar Sachdeva, Manager of the Company."

"RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement be paid as minimum remuneration to Mr. Raj Kumar Sachdeva notwithstanding that in any financial year of the Company during his tenure as Manager, the Company has made no profits or profits are inadequate."

"RESOLVED FURTHER THAT any Director, CFO and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection therewith and incidental hereto."

4. **Approval to acquire shares of Subsidiary Company, Pimpri Chinchwad eServices Limited.**

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution(s)**:

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 or subject to such modification and re-enactment thereof, consent of the members of the Company be and is hereby accorded for acquiring remaining 15% shares i.e. 7500 shares of Pimpri Chinchwad eServices Limited at a value of ₹ 1 per share on such terms and conditions as may be mutually agreed between the both parties."

"RESOLVED FURTHER THAT Board of Directors, CFO, Manager and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to this resolution."

**By Order of the Board
For HCL Infosystems Limited**

Date : 8th August, 2024

Place : Noida

Komal Bathla

**Company Secretary & Compliance Officer
ICSI Membership No. ACS 41455**

Notes:

1. The Ministry of Corporate Affairs, Government of India (the "MCA") vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5 2022, 10/2022 dated Dec 28, 2022 and General Circular No. 09/2023 dated 25th September, 2023 (hereinafter, collectively referred as the "MCA Circulars") read with the SEBI Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, No. SEBI/HO/ CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 (hereinafter, collectively referred as the "SEBI Circulars" and together with the MCA Circulars referred as the "Circulars") has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGMs and accordingly, the 38th Annual General Meeting (the "AGM" or the "38th AGM" or the "Meeting") of HCL Infosystems Limited (the "Company") will be held through VC or OAVM in compliance with the Circulars, the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. The Company has appointed National Securities Depositories Limited ('NSDL'), who will be providing facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.
3. **IN TERMS OF THE CIRCULARS, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 38th AGM (THE "NOTICE").**

However, in pursuance of Section 113 of the Act, representatives of the corporate members may be appointed for the purpose of voting through remote e-Voting, for participation in the 38th AGM through VC/OAVM Facility and e-Voting during the 38th AGM. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at vkc.pcs@gmail.com with a copy marked to evoting@nsdl.com. or upload the same by clicking "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login. Further details in this regard are annexed separately and form part of this Notice.

4. Since the 38th AGM will be held through VC/OAVM Facility, no Route Map is being provided with the Notice. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
5. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
6. The Explanatory Statement pursuant to Section 102 of the Act and the rules made thereunder setting out the material facts and the reasons for each item of Special Business is annexed hereto.

Necessary information of the Directors as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.

The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.

7. The Members may join the 38th AGM through VC/OAVM 15 minutes before the scheduled time to start the AGM by following the procedure as mentioned below and the window for joining the VC/OAVM Facility will remain open till the closure of the meeting.

8. Attendance of the members participating in the 38th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from 13th September 2024 (Friday)—18th September 2024 (Wednesday) (both days inclusive) for the purpose of Annual General Meeting.
10. All correspondence with regard to share transfers/dividends and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agent (RTA) at the address given below:

M/s. Alankit Assignments Limited
205-208, Anarkali Complex,
Jhanewalan Extension, New Delhi-110055
Phone : 011-42541234011-23541234
Email : rta@alankit.com
Website : www.alankit.com

11. SEBI has mandated the submission of a Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in demat form are therefore, requested to submit PAN details to the Depository Participant(s) with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Alankit Assignments Limited or to the Secretarial Department of the Company.
12. As per Regulation 40(1) of the Listing Regulations, as amended and read with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, all requests for transfer, transmission and transposition of securities, issue of duplicate share certificates, claim from unclaimed suspense account, renewal/ exchange of securities certificates etc. shall be processed only in dematerialized form. In view of the above we urge the members holding shares in physical form to have their shares dematerialized.

In view of the above, members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company the prescribed Form SH-13 for nomination and Form SH-14 for cancellation/ variation as the case may be. Members holding shares in demat mode may contact their respective Depository Participant (DP) for availing this facility.

13. Pursuant to applicable provisions of Sections 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended from time to time, the Company has transferred unpaid/ unclaimed dividend along with the Shares. There is no unpaid/unclaimed dividend pending for transfer to IEPF account.
14. In compliance with the provisions of section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules 2014 as amended vide Companies (Management and Administration) Amendment Rules 2015 w.e.f. 19th March 2015, and the regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the Remote e-voting services provided by NSDL, on all resolutions to be transacted at the 38th AGM and facility for those members participating in the 38th AGM to cast vote through e-voting services during the 38th AGM.
15. Members, seeking any information with regard to the Financial Statements are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
16. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.
17. During the 38th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 38th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 38th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the closure of the 38th AGM.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

19. DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs

In compliance with Circulars, the Notice along with the Annual Report of the Company for the financial year 2023-24, are being sent only in electronic mode, to Members whose e-mail address is registered with the Company or

HCL INFOSYSTEMS

Share Transfer Agent ("RTA"), M/s. Alankit Assignments Limited or the Depository Participant(s). The Notice of the 38th AGM along with the Annual Report for the financial year 2023-24 will be available on the website of the Company at www.hclinfosystems.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent ("RTA"), M/s. Alankit Assignments Limited at info@alankit.com. Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialized mode are requested to register / update their email addresses with their Depository Participants.

20. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the EVEN of the Company.

Further details in this regard are annexed separately and form part of this Notice.

21. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), read together with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has engaged the services of NSDL to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to cast their votes electronically in respect of the businesses to be transacted at the Meeting.

The instructions to cast votes through remote e-Voting and through e-Voting system during the AGM are annexed separately and form part of this Notice.

The remote e-Voting period will commence on Sunday, September 15, 2024 (9:00 A.M. IST) and will end on Tuesday, September 17, 2024 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Wednesday, September 11, 2024, may cast their votes by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Wednesday, September 11, 2024 being the cut-off date**, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date, i.e., Wednesday, September 11, 2024 should treat this Notice for information purpose only.**

Mr. Vineet K. Chaudhary, partner of VKC & Associates, Practicing Company Secretary (Membership No. F5327) and in case of his non-availability, Mr. Mohit K Dixit, Practicing Company Secretary (Membership No. F12361), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

The Scrutinizer shall after the conclusion of e-Voting at the 38th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within two (2) working days from the conclusion of the 38th AGM, who shall then countersign and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hclinfosystems.in 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. The result shall also be displayed at the registered as well as corporate address of the Company.

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolutions forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Wednesday, 18th September 2024.

Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at cosec@hcl.com or to the RTA at info@alankit.com:

- (i) Scanned copy of a signed request letter, mentioning the name, folio number / demat account details & number of shares held and complete postal address;
- (ii) Self-attested scanned copy of PAN Card; and
- (iii) Self-attested scanned copy of any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill/ Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding.

Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company / the RTA, need not take any further action in this regard.

22. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS:

As the AGM is being conducted through VC / OAVM, members are encouraged to express their views /send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at cosec@hcl.com to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before Wednesday, September 11, 2024 on the aforementioned e-mail id shall only be considered and responded during the AGM.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at cosec@hcl.com on or before Wednesday, September 11, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. 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 AGM.

23. PROCEDURE FOR INSPECTION OF DOCUMENTS:

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and all the documents referred to in the accompanying Notice of the 38th AGM and the explanatory statement shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com/>.

24. KYC and Nomination Facility

Effective April 1, 2024, SEBI has mandated that the members, who hold shares in physical mode and whose folios are not updated with any of the KYC details viz. (i) PAN (ii) Contact Details (iii) Mobile Number (iv) Bank Account Details and (v) Signature, shall be eligible to get dividend only in electronic mode after furnishing of all the aforesaid details in entirety.

If a security holder updates the above details after payment of dividend(s), then the dividend(s) so not paid would be released automatically once the said details are updated

The formats for Nomination and updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available in the investors section of the website of the Company at, www.hclinfosystems.in.

ANNEXURE TO THE NOTICE**Explanatory Statement [Pursuant to Section 102 of the Companies Act, 2013]**

The following explanatory statement sets out all material facts relating to various businesses including Special Business in the accompanying Notice of the Annual General Meeting to be held on Wednesday 18th September 2024.

ITEM NO. 3**Approval for the remuneration to be paid to Mr. Raj Kumar Sachdeva, Manager of the Company.**

The Board of Directors, in the meeting held on 8th August 2024, on the recommendation of Nomination and Remuneration Committee, given its approval to revise the remuneration as stated below, of Mr. Raj Kumar Sachdeva, Manager of the Company, under the applicable provisions of Companies Act, 2013, subject to approval of members of the Company by way of Special Resolution. The Board had also approved to pay this remuneration as minimum remuneration in case of inadequacy of profits and no profits:

(Amount in ₹)

(a)	Particulars	From 1st July 2023 till 30th June, 2024	Proposed remuneration from 1st July 2024
	Basic Salary	93,023/- per month	1,32,713/- per month
	House Rent Allowance	50% of Basic	50% of Basic
	Flexible Benefit Basket	3,36,787/- per month	3,05,310/- per month
	Performance Linked Bonus	14,88,372/- per annum	15,92,560/- per annum
	Contribution to Provident Fund	12% of the Basic Salary, as per the provision of the Employees Provident Fund and Miscellaneous Provision Act, 1952	12% of the Basic Salary, as per the provision of the Employees Provident Fund and Miscellaneous Provision Act, 1952
	Contribution to Superannuation Fund	NA	NA
	Contribution to National Pension Scheme	NA	NA
	Gratuity	As per the provisions of the Payment of Gratuity Act, 1972	As per the provisions of the Payment of Gratuity Act, 1972
	Medical Insurance	87,912/- per annum	92,982/- per annum
	Company Car leased Scheme	NA	NA
	Long Term Incentive Plan (Enterprise Value Creator)	10 lakhs (one time) payable in July, 2024	10 lakhs (one time) payable in July, 2025
	Company driver has been Provided	NA	NA

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

- (b) Any increment in salary, perquisites, allowances and remuneration by way of incentives/bonus/performance linked incentive payable to Mr. Sachdeva, as per the policy/practice of the Company, shall be in addition to Remuneration under (a) above.
- (c) **Reimbursement of expenses:** Expenses incurred for travelling, boarding and lodging during business trips and other facilities for performance of official duties shall be reimbursed at actuals and not considered as perquisites.

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. Raj Kumar Sachdeva, Manager of the Company as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company during the tenure of Mr. Raj Kumar Sachdeva, Manager of the Company.

OTHER TERMS AND CONDITIONS

- a) He is not entitled to any sitting fees for attending Board/ Committee Meetings.
- b) The appointment may be terminated by the Company or by Mr. Raj Kumar Sachdeva, Manager of the Company by giving not less than two months' prior notice in writing.

The Company is in compliance with the following conditions stipulated under Clause (B) of Section II of Part II of Schedule V of Companies Act, 2013.

1. Mr. Sachdeva, Manager of the Company was not having any interest in the capital of the Company or any of its subsidiary companies directly or indirectly or through any other statutory structures and was not having any direct or indirect interest or related to the directors or promoters of the Company or any of its subsidiary companies at any time during the last two years before or on the date of appointment; and
2. Mr. Sachdeva is commerce graduate from Delhi University and a Chartered Accountant and has expert and specialized knowledge in the field of his profession

The information required under Clause (B) of Section II of Part II of Schedule V of Companies Act, 2013 is annexed hereto as Annexure – A.

The Board of Directors recommends the resolution as set out in Item No. 3 as a Special Resolution for the approval of the Members. Save and except Mr. Sachdeva and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

Annexure: A

Statement of information for the Members pursuant to Section II of Part II of Schedule V of Companies Act, 2013:

1. GENERAL INFORMATION

- a) Nature of the industry: HCL Infosystems is an IT System Integration and Solutions company.
- b) Date or expected date of commencement of commercial production: The Company is in business since 1986.
- c) In case of new companies, expected date commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- d) Financial performance based on given indicators as per audited financial results for the year ended 31st March 2024:

Mar'24	₹ in Lakhs
Standalone basis	
Sales & Other Income	1,783.89
Profit after tax as per Profit & Loss Account	-1,554.88
Retained Earnings	-1,91,603.84
Net worth	-27,069.73
Consolidated basis	
Sales & Other Income	6,199.29
Profit after tax as per Profit & Loss Account	-1,587.36
Retained Earnings	-1,75,736.85
Net worth	-26,931.95

- e) Foreign investments or collaborations, if any: The Company has two overseas step-down subsidiary companies. The names and other financial details about these subsidiaries have been disclosed in Schedules to the Balance Sheet forming part of Annual Report of the Company

2. INFORMATION ABOUT MR. RAJ KUMAR SACHDEVA

- a) Background details: Mr. Sachdeva has been associated with HCL Infosystems since 2019. As a global finance leader with 28 years of industry experience, Mr. Sachdeva has extensive experience with global companies including corporate governance, establishing a solid foundation of compliances and internal controls, mergers and acquisitions, financial operations, financial accounting and reporting. He has a proven track record of being a business partner, partnering with IT experts, implementing digital tools. He is a commerce graduate from Delhi University and a Chartered Accountant.
- b) Past Remuneration: As mentioned above
- c) Job Profile and his suitability, award and recognition: The role of Mr. Sachdeva as Manager of the Company includes overall responsibility for day-to-day business activity of the Company. He is instrumental in deliverables of existing projects and collection of receivables from customers. Keeping in view his work with the Company he is eminently suitable for the present position. He is the key person in strategic decision making.

HCL INFOSYSTEMS

- e) Remuneration proposed & reasons and justification for payment of remuneration beyond the said limit: The terms of the remuneration proposed to be paid to Mr. Sachdeva have been specified in the explanatory statement of the resolution
- f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person. The remuneration proposed to be paid to Mr. Sachdeva is in line with remuneration of Managers of other companies, keeping in view his job profile, the size and operations of the Company.
- g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Sachdeva is not related to any Director or Managerial Personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration from the Company in the capacity of Manager.

3. OTHER INFORMATION

- a) Reasons of loss or inadequate profits: Our Systems Integration and Solutions business continued to face delays in acceptance and sign-offs on project completion from certain customers, particularly those in the power sector, resulting in delays in recovering receivables. However, while the Company continued to support these customers, it faces increased cost, leading to operational losses, as evident in the financial results.
- b) Steps taken or proposed to be taken for improvement: Focus of the Company is to take actions/ initiatives that can help reduce operational losses.
- c) Expected increase in productivity and profits in measurable terms: Presently the focus of the Company is on reduction of operational cost wherever possible.

Item No 4**Approval to acquire shares of Subsidiary Company i.e. Pimpri Chinchwad eServices Limited.**

As per provisions of Section 186 of the Companies Act, 2013, approval of shareholders of the company by means of a special resolution is required for acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding the prescribed limits i.e. (i) 60% (sixty per cent) of the aggregate of the paid-up share capital, free reserves and securities premium account of the company or (ii) 100% (one hundred per cent) of its free reserve and securities premium account of the company, whichever is more.

Pimpri Chinchwad eServices Limited (Pimpri) was incorporated as a special purpose vehicle (SPV) on September 21, 2010, jointly by HCL Infosystems Limited and INDO Enviro Integrated Solutions Private Limited (INDO Enviro) (formerly known as IL&FS Environmental Infrastructure and Services Limited, Indo Enviro Integrated Solutions Limited) with the objective of creating a Joint venture between IL&FS, Software Technology Parks of India and HCL Infosystems Limited (the Company) to provide WiFi Connectivity services to Pimpri Chinchwad Municipal Corporation (PCMC).

However, Pimpri since its incorporation did not carry out any of the intended business activities. The Company holds 85% shareholding, and 15% shareholding is with INDO Enviro. In this regard, it is proposed that the Company shall purchase 15% shares of Pimpri from INDO Enviro. As a result, Pimpri will be a wholly owned subsidiary. As the Valuation of the shares of Pimpri is negative, the shares will be purchased at a value of ₹ 1 per share on such terms and conditions as may be mutually agreed between both parties. Valuation report is available for inspection at the registered office.

The Board of Directors recommends the resolution as set out in Item No. 4 as a Special Resolution for the approval of the Members. None of the other Directors/Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

Details of Directors seeking Re-appointment and approval of remuneration of Manager at the Annual General Meeting

[In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standard-2 on General Meetings:

Name of Director/Manager	Mr. Pawan Kumar Danwar (Director)	Mr. Raj Kumar Sachdeva (Manager)
Director Identification Number (DIN)	06847503	NA
Date of Birth (age in years)	58 years	52 years
Date of first Appointment	21/03/2014	01/05/2021
Nationality	Indian	Indian
Qualification(s)	Chartered Accountant & Company Secretary	Chartered Accountant
Experience	Around 35 years	Around 28 years
Details of shareholding in the Company (In case of listed entity including shareholding as beneficial owner)	Nil	Nil
Expertise in specific functional areas/ brief resume	Working as President & Chief Finance Officer of HCL Corporation Private Limited and honorary Chief Finance Officer of Shiv Nadar Foundation, India's leading philanthropic initiatives for nation building through transformational leadership. He brings over 35 years of vast experience to HCL. His association with the HCL Group spans over 29 years and he has served in different operational and strategic finance profiles within HCL, such as Business Finance, Corporate Restructuring, Acquisition & Business Integration, Treasury, Planning & Strategy, Commercial, Business Development, Secretarial, Legal & Corporate Compliance and Investor Relationship. He has not only been instrumental in shaping different financial strategies for HCL but he has also been associated with various new business initiatives.	Mr. Sachdeva is Working as Manager of HCL Infosystems Limited. He has been associated with HCL Infosystems since 2019. As a global finance leader with 28 years of industry experience, Raj has extensive experience with global companies including corporate governance, establishing a solid foundation of compliances and internal controls, mergers and acquisitions, financial operations, financial accounting and reporting. He has a proven track record of being a business partner, partnering with IT experts, implementing digital tools. Raj is a commerce graduate from Delhi University and a Chartered Accountant
Other Directorship(s)	<ul style="list-style-type: none"> • Shiv Nadar AIC Research Foundation • HCL Healthcare Private Limited • SSN Incubation Foundation • Guvi Geek Network Private Limited 	Nil
Chairman/Member of the Committee of the Board of Directors of Company	<ul style="list-style-type: none"> • Stakeholders Relationship Committee • Nomination and remuneration committee • Accounts and Audit Committee • Finance Committee 	Nil
Committee Positions in other Public Companies	Nil	Nil
Number of Board meetings attended	4 out of 4	4 out of 4
Terms & conditions of appointment	Re-appointed as Director of the Company, liable to retire by rotation	As mentioned above
Relationships between Directors inter-se and other Key Managerial Personnel	Not related to any Director and other KMP	Not related to any Director and other KMP
Name of Listed Companies from which resigned during last 3 years	Nil	Nil
In case of Independent Director Skills & Capabilities required for the role & the manner in which the proposed person meets such requirements	NA	NA

**THE FOLLOWING INSTRUCTIONS SHOULD BE READ IN CONJUNCTION WITH THE NOTICE OF
38th ANNUAL GENERAL MEETING OF HCL INFOSYSTEMS LIMITED**

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 15, 2024 at 9:00 A.M. and ends on Tuesday, September 17, 2024 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 11, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 11, 2024.

Any person who acquires equity shares of the Company and becomes a Member after dispatch of the Notice of the AGM and holds shares as on the cut-off date i.e. Wednesday, September 11, 2024, may obtain the login Id and password for e-Voting, by sending a request to NSDL at evoting@nsdl.co.in or to the Company at cosec@hcl.com.

Members who are already registered with NSDL for e-Voting, can use their existing password for login.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;">  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest, they can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are requested to visit CDSL website www.cDSLindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username and password. 2. After successful login of Easi/Easiest the user will be also able to see the E - Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. By clicking the e-voting option, the user will be able to see e-voting page of the e- voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cDSLindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link on www.cDSLindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-voting option where the e-Voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional/Body Corporate Shareholders (i.e. other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the board resolution/ authorization letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC/OAVM on its behalf and to vote, to the scrutinizer by e-mail through its registered e-mail address to vkc.pcs@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request at evoting@nsdl.com or contact Ms Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.com or pallavid@nsdl.com or at telephone nos. : +91-22-24994360 or +91-22-48867000, +91-22-24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address cosec@hcl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cosec@hcl.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cosec@hcl.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members 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. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
3. Further Members 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cosec@hcl.com. The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at cosec@hcl.com on or before Wednesday, September 11, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

This page intentionally right blank

This page intentionally left blank



Annual Report 2023-2024

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Nikhil Sinha

Manager

Raj Kumar Sachdeva

Directors

Ritu Arora

Kirti Kumar Dawar

Raghu Venkat Chivukula

Pawan Kumar Danwar

Neelesh Agarwal

CHIEF FINANCIAL OFFICER

Alok Sahu

COMPANY SECRETARY

Komal Bathla

AUDITORS

BSR & Associates LLP, Gurugram

BANKERS

State Bank of India

ICICI Bank Ltd.

Standard Chartered Bank

Axis Bank Limited

IDFC First Bank Ltd.

REGISTERED OFFICE

806, Siddharth, 96

Nehru Place, New Delhi - 110 019

CORPORATE OFFICE

A-11, Sector-3, Noida-201301 (U.P.)

CORPORATE IDENTITY NUMBER

L72200DL1986PLC023955

CONTENTS

- 03** Chairman Message
- 04** Management Discussion & Analysis
- 14** Board Report
- 22** Report on Corporate Governance
- 42** Secretarial Audit Report
- 48** Standalone Financial Statements
- 105** Consolidated Financial Statements
- 161** Statement under Section 129(3) of the Companies Act, 2013 in form AOC-1 relating to subsidiaries

CHAIRMAN MESSAGE



Dear Shareholders,

During the financial year 2023-24, the Company continued to implement various measures to recover dues from customers, including initiating arbitration proceedings and expediting deliverables of existing projects to facilitate collection of past receivables from customers.

Our System Integration and Solutions business continued to face delays in acceptance and sign-offs on project completion from certain customers, particularly those in the power sector, resulting in delays in recovering receivables. However, while the Company continued to support these customers, it faces increased costs, leading to operational losses, as evident in the financial results. The team remains steadfast in its efforts to recover outstanding dues from this customer segment. Additionally, the Company is actively pursuing legal avenues, including arbitration, to recover the receivables.

With our continued focus on arbitrations to recover our dues, the Company received some favourable initial arbitration awards during the year amounting to more than ₹ 6,000 Lakhs. However, customers have the right to further appeal these awards and some customers have already done so.

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

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

I extend my heartfelt thanks and deep appreciation to our shareholders for their continued commitment to the Company.

With Warm Regards,
Nikhil Sinha

Management Discussion and Analysis

Focus on reduction of outstanding debt and losses

In the FY 24, the Company continued to carry out several actions to recover dues from the customers including resorting to arbitration proceedings, accelerating deliverables of on hand projects to enable collection of past receivables from customers.

In FY 23, we reported revenue from continuing operations of ₹ 3,140.98 Lakhs while in FY 24 our revenue is ₹ 3,217.34 Lakhs.

Businesses Performance & Highlights

For the purpose of financial reporting in FY 24, the businesses have been arranged as per the following primary business categories:

Business Category	Lines of Business
Distribution Business	Residual annual maintenance contracts related to Enterprise Distribution Customers
System Integration and Solutions	System Integration projects

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

System Integration (SI) & Solutions Business

The SI and Solutions business reported revenue of ₹ 2,765.77 Lakhs in FY 24 with a focus on project execution and recovery of outstanding receivables from customers.

Though the business was able to realise ₹ 4,018.48 Lakhs from customers, our System Integration and Solutions business continued to face delays in customer acceptance and sign-offs on project completion from certain customers resulting in delays in recovering receivables.

As stated earlier, the Company has initiated arbitration proceedings against customers where acceptance, sign-offs and payments are held up for a long time.

Due to multiple legal proceedings and legacy issues, significant effort and cost are being incurred on compliance, legal and legacy matters. Hence our legal cost has increased considerably, and other operational costs including manpower costs continue to remain at the existing level, thereby resulting in operational losses as reflected in the financials.

With our continued focus on arbitrations to recover our dues, the company has some initial wins against some of customers during the year amounting to more than ₹ 6,000 Lakhs. However, the customers have got the right to go for further appeal. Some of these customers have already appealed against these awards.

During the year, ₹ 23.90 Lakhs has been provided on account of such receivables.

Distribution Business

In FY 24, the Distribution business reported a revenue of ₹ 451.57 Lakhs. As stated earlier, as per the direction of the Board the Distribution business has been scaled down. However, certain maintenance contracts of enterprise distribution customers are still under execution.

Other Updates

During the FY 24, the Company has sold one property for a total consideration of ₹ 1,500 Lakhs.

As at March 31, 2024, the Group has accumulated losses and its net worth has been fully eroded, the Group's current liabilities exceeded its current assets by ₹ 51,748.49 Lakhs as at ended March 31, 2024 (March 31, 2023 - ₹ 47,039.65 Lakhs). The losses are primarily as a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression. The management of the Company, is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business, sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support in the form of corporate guarantees to banks of ₹ 33,035 Lakhs and interest free unsecured loans of ₹ 35,500 Lakhs to the Company out of total authorized limit of ₹ 1,50,000.00 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 Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

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

During the year, the Board of Directors have appointed Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar as Additional Non-Executive Independent Director, not liable to retire by rotation, for a first term of five consecutive years. The appointment was also approved by the members of

the Company. Mr. Kaushik Dutta and Ms. Sangeeta Talwar, Independent and non-executive Director retired after completion of their second term w.e.f. closing hours of 31st March 2024.

Also, the Board of Directors of the Company have reappointed Dr. Nikhil Sinha as Independent Director in Feb 24, not liable to retire by rotation, for a second term of five consecutive years from 1st April 2024 to 31st March 2029. The reappointment was also approved by the members of the Company.

Business Risks & Mitigation Measures

The performance of our businesses can get affected by various risks posed by the external environment. Your

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

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy/Update
01	Litigation	Sustainability	<ul style="list-style-type: none"> Non-Cooperation of Client in Project sign off and payments. Increasing support and finance cost to continuously run the Operations without corresponding collections (BR) Arbitration increases the additional cost burden 	<ul style="list-style-type: none"> The subject is under Arbitration This has shown some positive results in terms of movement in collections as well as a positive movement in Arbitration.
02	Litigation	Operational	<ul style="list-style-type: none"> Disputed billed receivables due to Project deliverable issues 	<ul style="list-style-type: none"> Contesting the matters on the basis of judicial precedents in the cases Strategically handled on case to case basis. Trying to mitigate the issue of delay based on established precedents. In case, the same does not chart out, we plan to bifurcate our claims with the intent to go ahead with clean claims and forego the time barred claims. Provisions are made on a case-to-case basis based on management assessment of the legal cases.
03	Financial	Continuity	<ul style="list-style-type: none"> Continuity challenges in "Going Concern" status As of Mar, 24, Group's net worth has been fully eroded 	<ul style="list-style-type: none"> The company continues to derive revenue from ED AMC & SI Projects. Promoter has been supporting the company from time to time by extending loans and Corporate Guarantees.
04	Operational	Financial risk	<ul style="list-style-type: none"> Delay in getting the IT Refund 	<ul style="list-style-type: none"> Subject is under litigation and is likely to take time
05	Financial	Treasury	<ul style="list-style-type: none"> Treasury Risk – Continuation of BG issued to various customers. 	<ul style="list-style-type: none"> Support from the promoter company in the form of loans and Corporate Guarantees.
06	Operational	Human Capital	<ul style="list-style-type: none"> Loss of human capital in critical operations 	<ul style="list-style-type: none"> Management is continuously exploring alternative sources for resources including outsourcing to address the attrition.

Management Discussion and Analysis

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy/Update
				<ul style="list-style-type: none"> Retention plans are in place for identified critical resources.
07	Operational	Compliances	<ul style="list-style-type: none"> Legacy litigations in labour cases in HR practices 	<ul style="list-style-type: none"> Cases are being addressed to mitigate the risk for the Company.
08	Operational	Compliances	<ul style="list-style-type: none"> Risk of compliance gaps due to operational scale down, resultant organizational structural changes and attrition of resources 	<ul style="list-style-type: none"> Periodic review of processes and alignment with organizational structure and compliance requirements. Risk assessment before delegating the authority. The financial authorities delegated are capped, within the framework of Board approved delegation. Stringent exception approval process and close monitoring of adherence to Delegation of Authority and Segregation of Duty.
09	Operational	Compliance	<ul style="list-style-type: none"> Code of conduct (COC) & Ethical issues 	<ul style="list-style-type: none"> Independent Whistle Blower Mechanism Strict actions on violations Continuous emphasis on the company's Code of conduct policy Annual / Quarterly certification on compliance Periodic Internal audit Quarterly Statutory audit
10	Operational	Compliance	<ul style="list-style-type: none"> Risk of shared services agency opting out and continuity issues in the finance & accounting process 	<ul style="list-style-type: none"> Retention of key resources as part of HCL's Governance team. Management is evaluating alternative agencies.
11	Outsourcing risks	Compliance	<ul style="list-style-type: none"> Governance in Finance, Accounts, HR and IT function can get complicated with Multiple outsourced vendors (activity/manpower) dependency 	<ul style="list-style-type: none"> Documented SOP's Retention of key resources Close supervision Internal audits Statutory audits
12	Operational risks	Financial	<ul style="list-style-type: none"> Legacy data is available in older versions of IT applications and requires specialized skills for extracting data (skill set issue due to organization downsizing) 	<ul style="list-style-type: none"> Data retention requirements for the old legacy application is being reviewed. Alternative methods for data availability shall be reviewed considering the data retention requirements of the older applications.
13	Indirect tax	Compliance	<ul style="list-style-type: none"> Authorities claim cannot be foreseen without any time-limit 	<ul style="list-style-type: none"> The relevant data/documents are generally available in Accounts / IDT repository as well as ERP system.

Management Discussion and Analysis

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy/Update
				<ul style="list-style-type: none"> Document retention policies in the company aligned with the statutory requirements and for open transactions (legally or otherwise) Required documents are statutorily maintained as per retention policies Wherever required, suitable follow-ups with the parties for necessary documentation / confirmation.
14	Indirect tax	Compliance	<ul style="list-style-type: none"> Actual liability could be more due to unsuccessful trials Insufficient funds to meet unsuccessful litigations Risk arising due to adverse decision of Apex Court on controversial issues involving interpretation of Law 	<ul style="list-style-type: none"> The Company has settled high risk cases without payment of interest and penalty under Service tax, Excise and Sales Tax by opting for amnesty schemes, wherever applicable. Necessary provisions have been made for balance/open high-risk cases in books of account on the basis of Indirect tax team assessment and also corresponding amounts deposited with tax authorities to save the interest. High value litigation matters were opined in the company's favour by expert advocates In most of the cases except where provision has been created, Indirect Tax team has assessed the cases in consultation with the expert advocates and is of the view that, the company has a fairly good chance of success both on factual as well as technical grounds. Examination with the expert consultants and implementation of necessary steps to mitigate the liability, if any, on a case-to-case basis.

Internal Control Systems and their adequacy

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

The company has an internal audit function designed to review the adequacy of internal control checks in the system which covers all significant areas of the Company's Operations such as Accounting and Finance, Procurement, Business Operations, Statutory compliances, IT Processes, Safeguarding of Assets and their protection against unauthorized use, among others. The Internal Audit function

performs the internal audit of the Company's activities based on the internal audit plan, which is reviewed each year and approved by the Board Audit Committee. The Audit Committee reviews the reports submitted by internal auditors. Suggestions for improvements are considered and the Audit Committee follows up on corrective action. Disciplinary action is taken, wherever required, for non-compliance to corporate policies and controls.

Human Resource Development

As of March 31, 2024, the employee strength of the Company and its subsidiaries stood at 176, while on March 31, 2023, it was 179. Besides full-time employees, the Company also engaged with over 62 associates for various short-term projects across different timelines during the year.

Management Discussion and Analysis

DISCLAIMER

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over, which the Company does not have any direct control, could make a significant

difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward-looking statements. The Management Discussion and Analysis (MD&A) should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to HCL Infosystems Limited and its subsidiaries on a consolidated basis unless otherwise stated.

Management Discussion and Analysis

FINANCIAL COMMENTS ON CONSOLIDATED OPERATIONS FOR THE YEAR ENDED MARCH 31, 2024

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

The Management Discussion and Analysis on Financial performance relates to Consolidated Financial statements of the Company and its subsidiaries. This should be read in conjunction with the financial statements and related notes to the consolidated accounts for the year ended March 31, 2024.

RESULTS OF OPERATIONS

₹/Lakhs

Particulars	FY 24	FY 23
Revenue	3,217.34	3,140.98
Cost of sales	(1,304.46)	(1,867.06)
Gross margin from continuing operations	1,912.88	1,273.92
Employee benefits expense	(2,003.42)	(2,039.04)
Administration, selling and others	(5,494.24)	(6,168.34)
Depreciation and amortization expense	(53.92)	(58.02)
Gain on foreign exchange fluctuation	15.64	98.58
Provisions/liabilities no longer required written back	1,197.46	1,091.13
Operating Profit/(loss) from continuing operations before doubtful debts provision	(4,425.60)	(5,801.77)
Provision for doubtful debts and other current assets	(83.86)	(413.02)
Investment & other Income	1,768.85	1,149.18
Finance costs	(37.35)	(192.70)
Profit/(loss) before exceptional items and tax from continuing operations	(2,777.96)	(5,258.31)
Exceptional Items gain/ (loss)	1196.36	1,383.90
Tax expense	(5.76)	(5.00)
Profit/(loss) after tax from continuing operations	(1,587.36)	(3,879.41)
Other comprehensive income	4.91	39.87
Total comprehensive income/(loss) for the year	(1,582.45)	(3,839.54)

Revenue

Consolidated Revenue was ₹ 3,217.34 Lakhs in FY 24 as against ₹ 3,140.98 Lakhs in FY 23.

Gross Margin

Gross Margin was ₹ 1,912.88 Lakhs in FY 24 as against ₹ 1,273.92 Lakhs in FY 23. Gross Margin was higher in FY 24 mainly on account of reduction in cost of sales of ₹ 562.60 Lakhs as compared to FY 23.

Employee Benefits Expense

Employee Benefits Expense was ₹ 2,003.42 Lakhs in FY 24 as against ₹ 2,039.04 Lakhs in FY 23.

Administration, Selling and Other Expenses

Administration, Selling & other expenses were ₹ 5,494.24 Lakhs in FY 24 as against ₹ 6,168.34 Lakhs in FY 23. The details of administration, selling & other expenses is as follows:

₹/Lakhs

Particulars	FY 24	FY 23
Legal, Professional and Consultancy Charges*	2998.02	2508.79
Technology Cost	266.92	339.64
Outsourcing cost	130.83	113.53
Rates and Taxes	330.97	272.03
Retainership Expenses	680.32	715.35
Bank Charges	118.97	208.42
Rent	67.97	73.22
Travelling and Conveyance	85.19	103.04
Office Electricity and Water	34.64	54.93
Provision for Input Tax Credit**	384.82	1,311.91
Others	395.59	467.48
Total	5,494.24	6,168.34

* We are pursuing legal options by invoking arbitrations to recover our dues from customers. This is leading to high legal cost as reflected in legal, professional and consultancy expenses (FY 24 - ₹ 2,360.91 Lakhs and FY 23 - ₹ 1,733.17 Lakhs)

** The unutilised /accumulated GST ITC has been provided for in books of accounts (FY 24- ₹ 384.82 Lakhs and FY 23- ₹ 1,311.91 Lakhs) to the extent Company does not foresee business opportunities in near future wherein amount can be utilised and against amount outstanding for those particular locations where GST registration has been surrendered.

Depreciation

Depreciation was ₹ 53.92 Lakhs in FY 24 as against ₹ 58.02 Lakhs in FY 23.

Provisions/Liabilities no longer required written back

Provisions/Liabilities no longer required written back were ₹ 1,197.46 Lakhs in FY 24 as against ₹ 1,091.13 Lakhs in FY 23.

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

Operating Profit/ (Loss) from continuing operations before Doubtful Debts provision was ₹ (4,425.60) Lakhs in FY 24 as against ₹ (5,801.77) Lakhs in FY 23. Operating loss is lower in FY 24 mainly on account of reduction in cost of

Management Discussion and Analysis

sales of ₹ 562.60 Lakhs and GST ITC provision of ₹ 927.09 Lakhs as compared to FY 23.

Provision for Doubtful Debts and Other Current Assets

Provisions for doubtful debts and other current assets were ₹ 83.86 Lakhs in FY 24 as against ₹ 413.02 Lakhs in FY 23. Provision for doubtful debts and other current assets are created due to inordinate delays with certain customer acceptances and payments thereof.

Investment & Other Income

Investment & other income was ₹ 1,768.85 Lakhs in FY 24 as against ₹ 1,149.18 Lakhs in FY 23.

Investment and other income during current year was higher mainly on account of interest income on higher average bank deposits as compared to last year.

Finance Costs

Finance costs was ₹ 37.35 Lakhs in FY 24 as against ₹ 192.70 Lakhs in FY 23, mainly due to substitution and repayment

of external borrowings in FY 23. The Company had availed interest free loan from promoter entity as on 31st March 2024 of ₹ 35,500 Lakhs which is the main reason for reduction of finance cost.

Exceptional Items

Gain from Exceptional items was ₹ 1,196.36 Lakhs in FY 24 as against ₹ 1,383.90 Lakhs in FY 23 (net gain on sale of properties)

Profit/ (Loss) after Tax from continuing operations

Profit/ (Loss) after Tax from continuing operations was ₹ (1,587.36) Lakhs in FY 24 as against ₹ (3,879.41) Lakhs in FY 23.

FY 24 loss was lower primarily due to lower GST ITC provision in FY 24 (₹ 384.82 Lakhs in FY 24 as against ₹ 1,311.91 Lakhs in FY 23), lower cost of sales in FY 24 (₹ 1,304.46 Lakhs in FY 24 as against ₹ 1,867.06 Lakhs in FY 23) and higher investment & other income in FY 24 (₹ 1,768.85 Lakhs in FY 24 as against ₹ 1,149.18 Lakhs in FY 23).

FINANCIAL CONDITION

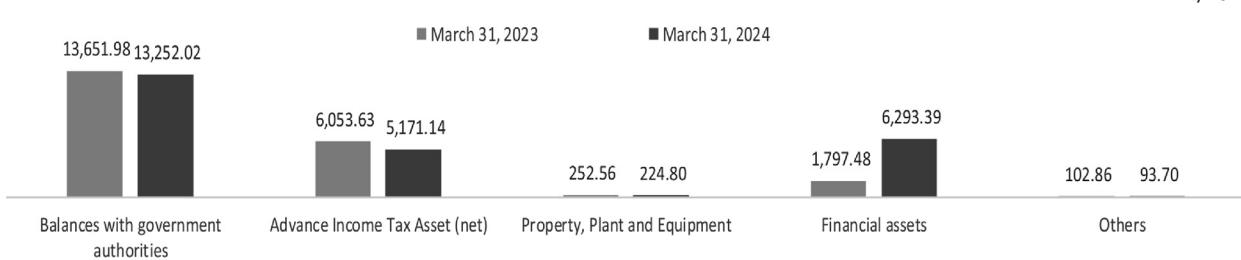
₹/Lakhs

Particulars	March 31, 2024	March 31, 2023
ASSETS		
Non-current assets	25,035.05	21,858.51
Current assets	20,525.19	28,418.89
Assets held for sale	10.00	313.00
Total	45,570.24	50,590.40
EQUITY AND LIABILITIES		
Net worth	(26,931.95)	(25,349.50)
Non-current liabilities	218.51	168.36
Current liabilities	72,283.68	75,771.54
Total	45,570.24	50,590.40

Non-Current Assets

Non-current assets were ₹ 25,035.05 Lakhs as at March 31, 2024 as compared to ₹ 21,858.51 Lakhs as at March 31, 2023. The details are as follows:

₹/Lakhs



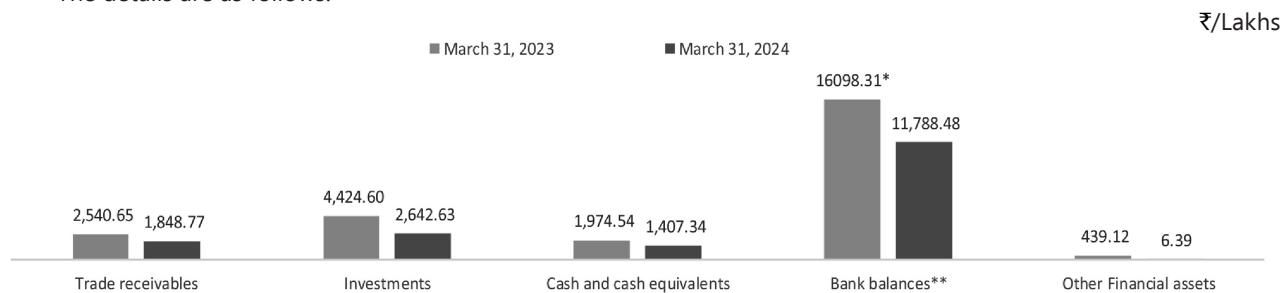
Financial assets were higher in FY 24 mainly on account of increase in Bank deposits ₹ 5,493.57 Lakhs offset by decrease in Margin money held with bank ₹ 972.47 Lakhs.

Management Discussion and Analysis

Current Assets

Current assets were ₹ 20,525.19 Lakhs as at March 31, 2024 as compared to ₹ 28,418.89 Lakhs as at March 31, 2023. The details are as follows:

- Inventories were ₹ 37.08 Lakhs as at March 31, 2024 as compared to ₹ 39.06 Lakhs as at March 31, 2023.
 - Financial Assets were ₹ 17,693.61 Lakhs as at March 31, 2024 as compared to ₹ 25,477.22 Lakhs as at March 31, 2023.
- The details are as follows:



- Other Current Assets were ₹ 2,794.50 Lakhs as at March 31, 2024 as compared to ₹ 2,902.61 Lakhs as at March 31, 2023.

* In an Appeal under the Arbitration & Conciliation Act filed by MTNL (in CWG Project), an adhoc amount of ₹ 12,020.64 Lakhs (net of TDS ₹ 321.09 Lakhs) had been released by the Hon'ble High Court of Delhi to HCL Infotech Limited against a Bank Guarantee which is included in bank balances as at March 31, 2023.

** Bank balances have gone down and accordingly there is increase in bank deposits (refer note given above under the head Non-Current Assets).

Net Worth

The Net-worth of the company was ₹ (26,931.95) Lakhs as at March 31, 2024 as against ₹ (25,349.50) Lakhs as at March 31, 2023.

Non-Current Liabilities

Non-current liabilities were ₹ 218.51 Lakhs as at March 31, 2024 as compared to ₹ 168.36 Lakhs as at March 31, 2023.

Net Borrowings

Net borrowings were ₹ 14,016.97 Lakhs as at March 31, 2024 as compared to ₹ 11,879.91 Lakhs as at March 31, 2023.

Particulars	March 31, 2024	March 31, 2023
Borrowings	35,500.00	35,500.84
Less : Cash, Bank & Investments	21,483.03	23,620.93
Net Borrowings	14,016.97	11,879.91

Current Liabilities

Current liabilities were ₹ 72,283.68 Lakhs as at March 31, 2024 as compared to ₹ 75,771.54 Lakhs as at March 31, 2023. The details are as follows:



Management Discussion and Analysis

- Financial Liabilities (iii) Other Financial Liabilities** includes Employee benefits payable, Deposits, etc.
- Other Current Liabilities** includes amount received on account of MTNL CWG project (refer note given above under head current assets), deferred revenue, advances received from customers, statutory dues payable, etc.

CASH FLOW STATEMENT

A summary of cash statement is given below:

Particulars	FY 24	FY 23
Opening balance of cash and cash equivalents	1,974.54	2,188.00
Net cash flow from operating activities	(3,617.90)	7,356.24
Net cash flow from investing activities	3,077.94	(1,520.16)
Net cash flow from financing activities	(37.34)	(6,188.50)
Effect of foreign exchange on cash and cash equivalents	10.10	138.96
Cash and cash equivalents at the end of the year	1,407.34	1,974.54

Cash flow from operations

In FY 24, the Company used ₹ 3,617.90 Lakhs for operations as against ₹ 7,356.24 Lakhs generated in FY 23.

Particulars	FY 24	FY 23
Operating Profit/(loss) before changes in operating assets and liabilities	(4,990.84)	(5,381.00)
Changes in operating assets and liabilities	426.27	11,602.87
Cash generated/(used) from operations	(4,564.57)	6,221.87
Net tax refund (including interest)	946.67	1,134.37
Net cash generated/(used) in operating activities	(3,617.90)	7,356.24

Cash flow from investing activities

In FY 24, the Company generated ₹ 3,077.94 Lakhs from investing activities as compared to cash used of ₹ 1,520.16 Lakhs in FY 23. The cash generation in FY 24 was mainly comprised of proceeds from sale of current investments ₹ 17,815.32 Lakhs, Interest income ₹ 1,291.48 Lakhs, movement in margin money account ₹ 118.38 Lakhs and Proceeds from sale of properties, plant and equipment ₹ 0.61 Lakh offset by purchase of current investments ₹ 15,799.21 Lakhs, Investment in Bank Deposits ₹ 329.65 Lakhs, purchase of property, plant and equipment ₹ 18.99 Lakhs as against FY 23 mainly comprised of purchase of current investments ₹ 29,099.55 Lakhs, Investment in Bank Deposits ₹ 11,227.02 Lakhs, purchase of property, plant and equipment ₹ 42.58 Lakhs offset by proceeds from sale of current investments ₹ 34,762.39 Lakhs, proceeds from sale of properties ₹ 3,369.10 Lakhs, Interest income ₹ 476.27

Lakhs and movement in margin money account ₹ 241.23 Lakhs.

Cash flow from financing activities

In FY 24, the Company used ₹ 37.34 Lakhs for financing activities as against ₹ 6,188.50 Lakhs in FY 23 (mainly for loan repayment and interest payment).

SEGMENT PERFORMANCE

Segment Revenue

Particulars	FY 24	FY 23
- Hardware Products and Solutions	2,765.77	2,574.36
- Distribution	451.57	566.62
Less : Intersegment Eliminations	-	-
Total	3,217.34	3,140.98

Hardware Products and Solutions

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

Segment revenue in FY 24 was ₹ 2,765.77 Lakhs as against ₹ 2,574.36 Lakhs in FY 23.

Segment Results (Profit/(loss) before interest and tax) in FY 24 was ₹ (2,831.92) Lakhs as against ₹ (3,252.98) Lakhs in FY 23.

Segment assets were ₹ 23,469.84 Lakhs as at March 31, 2024 as against ₹ 24,895.09 Lakhs as at March 31, 2023 and Segment liabilities were ₹ 33,324.94 Lakhs as at March 31, 2024 as against ₹ 35,141.97 Lakhs as at March 31, 2023.

Distribution

The distribution segment consists of Residual annual maintenance contracts related to Enterprise Distribution Customer. This business has been gradually scaled down starting from FY 21.

Segment revenue in FY 24 was ₹ 451.57 Lakhs as against ₹ 566.62 Lakhs in FY 23. Revenue primarily includes Enterprise Distribution AMC revenue.

Segment Results (Profit/(loss) before interest and tax) in FY 24 was ₹ 96.27 Lakhs as against ₹ 179.08 Lakhs in FY 23.

Segment assets were ₹ 10,484.03 Lakhs as at March 31, 2024 as against ₹ 10,546.06 Lakhs as at March 31, 2023 and Segment liabilities were ₹ 3,166.68 Lakhs as at March 31, 2024 as against ₹ 3,018.49 Lakhs as at March 31, 2023.

Learning

Segment revenue in FY 24 and FY 23 was Nil.

Segment Results (Profit/(Loss) before interest and tax) in FY 24 was ₹ 22.08 Lakhs as against ₹ (7.10) Lakhs in FY 23.

Segment assets were ₹ 79.02 Lakhs as at March 31, 2024 as against ₹ 90.78 Lakhs as at March 31, 2023 and Segment liabilities were ₹ 45.41 Lakhs as at March 31, 2024 as against ₹ 77.99 Lakhs as at March 31, 2023.

Management Discussion and Analysis

KEY FINANCIAL RATIOS:

Particulars	FY 24	FY 23
Debtors Turnover (Days)	209.74	295.16
Inventory Turnover (Days)	4.21	4.53
Current Ratio (times)	0.28	0.38
Operating Profit Margin (%)	-137.55%	-184.70%
Net Profit Margin (%)	-49.34%	-123.48%

- Debtors Turnover days were at 209.74 as at March 31, 2024 as against 295.16 as at March 31, 2023 due to lower trade receivable in FY 24.
- Inventory Turnover days were 4.21 as at March 31, 2024 as against 4.53 as at March 31, 2023 mainly due to lower inventory in FY 24.
- Debt Equity Ratio was negative as at March 31, 2024 and March 31, 2023 due to negative Net-worth.
- Operating Profit Margin was at (137.55%) as at March 31, 2024 as against (184.70%) as at March 31, 2023. (refer note given above under head Operating Profit/ (Loss) from continuing operations before Doubtful Debts provision).
- Interest coverage was negative on account of negative EBIT in FY24 & FY23.
- Net Profit Margin was (49.34%) for FY24 as against (123.48%) for FY23. (refer note given above under head Profit/ (Loss) after Tax from continuing operations).

Board Report

Dear Shareholders,

Your Board of Directors are pleased to present the Thirty Eighth (38th) Annual Report on the Business and Operations of the Company, together with the audited Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2024.

Financial Highlights

The summary of the financial performance of the Company for the Financial Year ended March 31, 2024, as compared to the previous year is as below:

₹/Lakhs

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Net Sales and other income	6,199.29	5,479.87	1,783.89	1,974.51
Loss before exceptional items: Interest, depreciation and tax	(2,686.69)	(5,007.59)	(1,151.19)	(2,119.86)
Finance charges	37.35	192.70	43.24	152.54
Depreciation and amortization	53.92	58.02	52.81	56.83
Exceptional items	1,196.36	1,383.90	(307.64)	(1,507.87)
Loss before tax	(1,581.60)	(3,874.41)	(1,554.88)	(3,837.10)
Provision for taxation: current	5.76	5.00	-	-
Net Loss after tax	(1,587.36)	(3,879.41)	(1,554.88)	(3,837.10)

State of Company's Affairs/Performance

The consolidated net revenue and other income of the Company for the financial year ended March 31, 2024, was ₹ 6,199.29 lakhs as against ₹ 5,479.87 lakhs during the previous financial year ended March 31, 2023. The consolidated loss before tax for the financial year ended, March 31, 2024, was ₹ 1,581.60 lakhs as against loss of ₹ 3,874.41 lakhs during the previous financial year ended March 31, 2023.

The net revenue and other income on standalone basis for the financial year ended, March 31, 2024, was ₹ 1,783.89 lakhs as against ₹ 1,974.51 lakhs during the previous financial year ended March 31, 2023. The loss before tax for the financial year ended, March 31, 2024, was ₹ 1,554.88 lakhs as against loss of ₹ 3,837.10 lakhs during the previous financial year ended March 31, 2023.

Recommendation of Dividend

Your Board of Directors do not recommend any dividend for the financial year 2023-24.

Operations

A detailed analysis and insight into the financial performance and operations of your Company for the year ended March 31, 2024, is provided in the Management Discussion and Analysis, forming part of the Annual Report.

Share Capital

As on March 31, 2024, the authorized share capital of the Company stands at ₹ 1,756,000,000 (One Hundred Seventy-Five Crores Sixty Lakhs Only) divided into (i) 853,000,000 (Eighty-Five Crores and Thirty Lakhs) equity shares having

a face value of ₹ 2/- each and (ii) 500,000 (Five Lakhs) Preference Shares having a face value of ₹ 100 each.

As on March 31, 2024, the issued and subscribed share capital stands at ₹ 658,421,856 (Indian Rupees Sixty-Five Crores Eighty-Four Lakhs Twenty-One Thousand Eight Hundred and Fifty-Six only) divided into 329,210,928 (Thirty-Two Crores Ninety-Two Lakhs Ten Thousand Nine Hundred and Twenty-Eight) equity shares of face value of ₹ 2 each.

As on March 31, 2024, paid up equity share capital stands at ₹ 658,419,856 (Indian Rupees Sixty-Five Crores Eighty-Four Lakhs Nineteen Thousand Eight Hundred and Fifty-Six only) divided into 329,209,928 (Thirty-Two Crores Ninety-Two Lakhs Nine Thousand Nine Hundred and Twenty-Eight) equity shares of face value of ₹ 2 each.

Transfer to Reserves

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

Credit Rating

The Company has following credit ratings:

S. No.	Facilities	Amount (₹ in Lakhs)	Rating
1	Long-term/short term bank facilities	23,500.00	CARE BBB+; Stable/ CARE A2
2	Long-term/short term bank facilities	6,500.00	Provisional CARE AA- (CE); Stable / CARE A1+ (CE) #

Based on the credit enhancement in the form of provisional unconditional and irrevocable corporate guarantee to be provided by HCL Corporation Private

Board Report

Limited, the promoter company.

Deposits

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

Listing

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

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

The Company has paid the listing fee for the year 2024-2025 to BSE and NSE.

Directors and Key Managerial Personnel (KMP)

Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar have been appointed as Additional Directors, (Non-Executive & Independent category) not liable to retire by rotation, on the Board of the Company for first term of five consecutive years from 10th August 2023 till 9th August 2028. The appointment was also approved by the shareholders of the Company. The Board is of the opinion that the Independent Directors inducted during the year uphold the highest standards of integrity and possess the requisite expertise and experience required to fulfill their duties as Independent Directors.

Mr. Kaushik Dutta and Ms. Sangeeta Talwar, Non-Executive Independent Directors of the Company, retired, after completion of their second term as Independent Directors of the Company w.e.f. closing hours of 31st March 2024.

Dr. Nikhil Sinha has been re-appointed as a Non-Executive Independent Director of the Company for the second term w.e.f. 1st April, 2024 to 31st March, 2029. This has been approved by the shareholders of the Company.

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

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

Committees of Board

Currently, the Board has 4 (Four) Committees: Accounts and Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, and Finance Committee. A detailed note on Committees is provided in the Corporate Governance Report and forms part of the Annual Report.

Composition of Accounts and Audit Committee

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

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

*Mr. Kaushik Dutta and Ms. Sangeeta Talwar, after completion of their second term, retired w.e.f. from closing hour of 31st March, 2024.

**Dr. Nikhil Sinha was designated as Chairperson of Accounts and Audit Committee w.e.f. 1st April, 2024.

Mr. Raghu Venkat Chivukula, Mr. Kirti Kumar Dawar and Mr. Pawan Kumar Danwar were appointed as members of the Accounts and Audit Committee w.e.f. 1st April 2024.

The Board had accepted all the recommendations of the Accounts and Audit Committee during the financial year 2023-24.

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

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

The Company had appointed an external agency to conduct the evaluation of the Board, Committees and individual Directors including Independent Directors, as per the assessment criteria and norms designed by the Company's Human Resource Department and approved by the Board's Nomination and Remuneration Committee. The evaluation reports were reviewed by an Independent HR consultant, who shared the results with the Board Chairman – Dr. Nikhil Sinha.

Independent Directors in their separate meeting held on

Board Report

13th February 2024 reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

Criteria/Policy on Appointment and Remuneration

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

The policy is available on the website of the Company and can be assessed at

https://www.hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration_policy.pdf

Board Meetings

During the financial year 2023-24, 4 (Four) Board Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The details of Board Meetings held are stated in the Corporate Governance Report which forms part of the Annual Report.

Corporate Social Responsibility (CSR)

The Company no longer meets any of the criteria required for composition of CSR Committee i.e. net worth criteria, turnover criteria, or net profit criteria, hence, CSR Committee was dissolved during the year.

Corporate Governance

The Company is committed to adhere to best corporate governance practices. The separate sections on Management Discussion and Analysis, Corporate Governance, and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI Listing Regulations, 2015 form part of this Annual Report.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on the financial year ended 31st March 2024 and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors

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

Particulars of Employees and related disclosures

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

- (a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the key parameters for any variable component of remuneration availed by the directors: NA***

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

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

S. No.	Name	Designation	Remuneration paid (2023-24)* ₹ lakhs)
1.	Mr. Alok Sahu	Chief Financial Officer	109.36
2.	Mr. Raj Kumar Sachdeva	Manager	83.48
3.	Ms. Komal Bathla	Company Secretary	17.52

*Includes variable & incentives

Board Report

Note: Increase in remuneration was not comparable due to payment of one-time incentive in 2022-23, hence not stated.

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

There was an increase of 1% in the median remuneration of the employees in the financial year 2023-24.

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

The number of permanent employees on the rolls of the Company and its subsidiaries at the end of the financial year was 147.

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

The average percentage increase in the salaries of employees in the FY 2023-24 was 8%.

The annual increase in salary of manager is not comparable due to payment of one-time incentive in 2022-23.

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

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

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

Particulars of Loans, Guarantees or Investments

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

Related Party Transactions

During the financial year 2023-2024, all the related party transactions entered into by the Company were in the ordinary course of business and at arm's length basis. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Company has employed an external firm of Chartered Accountants to

review and evaluate the basis of such agreements and opine on their fairness.

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

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

The details of the related party transactions as required under the Act and the Rules are attached in Form AOC-2 as Annexure 1.

Internal Control Systems and their adequacy

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

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

Adequacy of Internal Financial control with respect to Financial Statements

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

Vigil Mechanism/Whistle Blower Policy

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

Board Report

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

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

Risk Management Policy

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

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

Auditors & Auditors' Report

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in its 36th Annual General Meeting held on 21st September 2022 approved the reappointment of M/s BSR & Associates LLP, Chartered Accountants (FRN – 116231W/W-100024), as the Statutory Auditors of the Company for second term of 5 years i.e. from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company.

The Report given by M/s BSR & Associates LLP, Chartered Accountants, on the financial statements of the Company for the financial year 2023-24 is part of the Annual Report. There was no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act.

Secretarial Audit Report

The secretarial audit as per Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was carried out by M/s. V K C & Associates, Practicing Company Secretaries for the financial year 2023-24. The Report given by the Secretarial Auditor of the Company and its material subsidiary HCL Infotech Limited forms an integral part of this Board's Report. There was no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Secretarial Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act. In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Accounts & Audit Committee recommended, and the Board of Directors appointed M/s. V K C & Associates, Practicing Company

Secretaries as the Secretarial Auditors of the Company in relation to the financial year 2024-25. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

Certification from Company Secretary in Practice

A certificate has been received from M/s. V K C & Associates, Practicing Company Secretaries, Company Secretaries in practice that none of the Directors on the Board of the Company had been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such other Statutory/ Regulatory authority.

Material Unlisted Subsidiary

In terms of the provisions of the SEBI Listing Regulations, your Company has a policy for determining 'Material Subsidiary' and the said policy is available on the Company's website at

<https://www.hclinfosystems.in/wp-content/uploads/2019/04/Materail-subsidiary-policy.pdf>

Compliance with Secretarial Standards

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

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

A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy; Although the operations of the Company are not energy-intensive, the management has been highly conscious of the criticality of conservation of energy at all the operational levels and efforts are being made in this direction on a continuous basis. Adequate measures have been taken to reduce energy consumption, whenever possible, by using energy efficient equipment.
- (ii) the steps taken by the company for utilizing alternate sources of energy; NA
- (iii) the capital investment on energy conservation equipment's; NA

B) Technology absorption-

- (i) the efforts made towards technology absorption- Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution- Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

Board Report

- (a) the details of technology imported- NA
- (b) the year of import; - NA
- (c) whether the technology been fully absorbed- NA
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof- NA

C) The expenditure incurred on Research and Development: NIL

D) Foreign exchange earnings and Outgo-

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

Particulars	₹ in lakhs)
Amount for F.Y. 2023-24	
Foreign exchange earnings	-
Foreign exchange outgo	157.88

Consolidated Financial Statement

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

Subsidiaries, Joint Ventures and Associate Companies

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

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

Annual Return

Pursuant to the provisions of Section 134(3)(a) r/w/ Section 92(3) of the Act, the Annual Return is put up on the Company's website and can be accessed at

<https://www.hclinfosystems.in/wp-content/uploads/2024/05/Annual-Return-2023-34-HCL.pdf>

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been duly constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial year 2023-24, no

complaints was received by the Company related to sexual harassment.

Investor Education and Protection Fund (IEPF)

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

There were no unclaimed and unpaid dividends amount / the corresponding shares which were due to be transferred to IEPF/ IEPF suspense account during the FY 2023-24.

Insider Trading Code

The Code of Conduct to Regulate, Monitor and Report by Designated Persons and Immediate Relatives is in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ('the PIT Regulations'). The said Code lays down guidelines for Designated Persons on the procedures to be followed and disclosures to be made in dealing with the securities of the Company and cautions them on consequences of non-compliances.

The Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information including a Policy for determination of legitimate purposes is also in line with the PIT Regulations. Further, the Company has put in place an adequate and effective system of internal controls including maintenance of structured digital database, standard processes to ensure compliance with the requirements of the PIT Regulations to prevent insider trading.

General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
4. There was no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Board Report

5. Details of the Employees Stock Option Scheme Section as required under Section 62(1)(b) of the Act read with rule 12(9) of Companies (Share capital and debentures) Rules,2014.
 6. There is no change in the nature of the business of the Company.
 7. There are no material changes or commitments, if any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statement relate and date of the report.
 8. The company is not required to maintain cost records as per sub section (1) of Section 148 of the Companies Act, 2013.
 9. No application was made or pending against the Company under Insolvency and Bankruptcy Code, 2016 (IBC).
 10. There has been no case of one-time settlement with Bank or Financial Institution during the year as per rule Companies (Accounts) Rules, 2014 hence no requirement to provide the details of difference between amount of the valuation done at the time of

one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Acknowledgements

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

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

On behalf of the Board of Directors

Place : Noida
Date : 22nd May 2024

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

- Details of contracts or agreements or transactions not at arm's length basis:** Not applicable, there were no transactions or arrangements which were not at arm's length, and which were not in the ordinary course of business during financial year 2023-24. The Company has laid down policies and processes/ procedures to ensure compliance to the Act. In addition, the transactions are placed before the Audit Committee on a quarterly basis.

Sr. No.	Name (s) of Related party	Nature of Transactions/ contracts/ arrangements	Duration of transactions/ contracts/ arrangements	Salient Features of transactions/ contracts/ arrangements	Transactions Value	Justification for transactions/ contracts/ arrangements	Date(s) of approval by the Board	Amount paid as advance, if any.	Date of special resolution
Not Applicable									

- Details of material contracts or agreements or transactions at arm's length basis:** Not Applicable, there were no material contracts or arrangements with related parties during financial year 2023-24.

Sr. No.	Name (s) of Related party	Nature of Relationship	Nature of transactions/ contracts/ arrangements	Duration of the transaction/ contracts/ arrangements	Salient terms of contracts/ arrangements/ Transaction including Value, if any	% of consol revenue	Date (s) of approval by the Board, if any.	Amount paid as advance, if any.
Not Applicable								

On behalf of the Board of Directors

**Raghu Venkat Chivukula
(Director)**

**Pawan Kumar Danwar
(Director)**

**Place: Noida
Date: 22nd May 2024**

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

- (i) As on 31st March 2024, the Board of Directors of the Company comprises Eight Directors, out of which, six are Independent Directors, including two women Directors. The composition of the Board is in conformity with Regulation 17(1) and 17(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees as specified in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the public companies in which he is a director. Necessary disclosures regarding Committee position in other public companies as on 31st March 2024 have been made by the Directors.
- (iii) All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.
- (iv) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2023-24 and the last Annual General Meeting, and the number of directorship and committee chairmanship/membership held by them in other public companies is given below. Other directorship does not include that of private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013. Chairmanship/membership of Board Committees includes only Audit Committee and Stakeholders' Relationship Committee.

Names	Category	No. of Board Meetings during 2023-24		Whether attended last AGM held on 20 th September, 2023	No. of Directorships in other public companies as on 31 st March, 2024	Name of other listed company and the category of Directorship as on 31 st March, 2024	No. of Committee positions held in other public companies as on 31 st March, 2024	
		Held	Attended				Chairperson	Member
Dr. Nikhil Sinha (Chairman)*	Independent & Non-executive Director	4	4	Yes	1	-	-	-
Mr. Kaushik Dutta**	Independent & Non-executive Director	4	4	Yes	3	1. Newgen Software Technologies Limited (Independent Director) 2. PB Fintech Limited (Independent Director) 3. Zomato Limited (Independent Director)	2	3
Ms. Ritu Arora	Independent & Non-executive Director	4	4	Yes	4	-	-	2

Report on Corporate Governance

Names	Category	No. of Board Meetings during 2023–24		Whether attended last AGM held on 20 th September, 2023	No. of Directorships in other public companies as on 31 st March, 2024	Name of other listed company and the category of Directorship as on 31 st March, 2024	No. of Committee positions held in other public companies as on 31 st March, 2024	
		Held	Attended				Chairperson	Member
Ms. Sangeeta Talwar**	Independent & Non-executive Director	4	4	Yes	5	1. TCNS Clothing Co. Limited (Independent Director) 2. Castrol India Limited (Independent Director) 3. Mahindra Holidays & Resorts India Limited (Independent Director)	-	7
Mr. Pawan Kumar Danwar	Non-independent & Non-executive Director	4	4	Yes	-	-	-	-
Mr. Neelesh Agarwal	Non-independent & Non-executive Director	4	4	Yes	1	-	-	-
Mr Raghu Venkat Chivukula ***	Independent & Non-executive Director	3	3	Yes	-	-	-	-
Mr. Kirti Kumar Dawar***	Independent & Non-executive Director	3	3	Yes	-	-	-	-

*Dr. Nikhil Sinha has been re-appointed as a Non- Executive Independent Director of the Company for the second term w.e.f. 1st April, 2024 to 31st March, 2029. This has been approved by the shareholders of the Company.

** Mr. Kaushik Dutta and Ms. Sangeeta Talwar, retired, after completion of their second term as Independent and Non-executive Director w.e.f. from closing hours of 31st March 2024.

***Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar were appointed as Additional Directors, designated as Independent and Non-Executive Director, w.e.f. 10th August 2023. Appointment of Mr. Raghu and Mr. Dawar has been regularized by shareholders of the Company in 37th Annual General Meeting held on 20th September 2023.

- (v) Four Board Meetings were held during the financial year 2023–24 and the gap between the two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

22 nd May, 2023	7 th November, 2023
10 th August, 2023	13 th February, 2024

- (vi) Inter-se Relationship among Directors: None of the Director is a relative of another Director(s).
- (vii) Necessary information as mentioned in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for their consideration.

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

- Annual operating plans and budgets and all updates.
- Capital budgets and all updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or resignation of the chief financial officer and the company secretary, if any.
- Show cause, demand, prosecution notices and penalty notices which are materially important, if any.
- Sale of investments, subsidiaries which are material in nature and not in normal course of business, if any.

Report on Corporate Governance

- h. Discussion and review of Business Operations.
- i. Advancement of inter-corporate loan to subsidiaries, if any.
- j. Issue of corporate guarantees(s) on behalf of subsidiaries, if any.
- k. Minutes of meetings of Board of Directors of subsidiary companies.
- l. Review of operations of subsidiary companies.
- m. Review of related party transactions.
- n. Review of statutory compliances.

3. COMMITTEES OF THE BOARD

(i) ACCOUNTS AND AUDIT COMMITTEE:

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

Report on Corporate Governance

15. Discussion with internal auditors of any significant findings and follow-up thereon.
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 19. To review the functioning of the Whistle Blower mechanism.
 20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.
 21. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
 22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
 23. The Audit Committee shall mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor.
 - statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
 24. To perform any other function as may be assigned by the Board from time to time.
- d. The composition, powers, roles and the terms of reference of the Committee are in terms of the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Committee members have reasonable knowledge of finance and accounting, and two members possess financial and accounting expertise.
- e. The composition of the Accounts and Audit Committee and details of meetings attended by its Chairman/members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kaushik Dutta (Chairman)*	Independent & Non-executive	4	4
Dr. Nikhil Sinha(Member)**	Independent & Non-executive	4	4
Ms. Ritu Arora(Member)	Independent & Non-executive	4	4
Ms. Sangeeta Talwar(Member)*	Independent & Non-executive	4	4

* Mr. Kaushik Dutta and Ms. Sangeeta Talwar, retired, after completion of their second term as Independent and Non-executive Director w.e.f. from closing hours of 31st March 2024.

**Dr. Nikhil Sinha was designated as Chairperson of Accounts and Audit Committee w.e.f. 1st April, 2024.

Mr. Raghu Venkat Chivukula, Mr. Kirti Kumar Dawar and Mr. Pawan Kumar Danwar were appointed as members of the Accounts and Audit Committee w.e.f. 1st April 2024.

Report on Corporate Governance

- f. The Audit Committee met Four (4) times during the financial year 2023-24 on the following dates:

22 nd May, 2023	7 th November, 2023
10 th August, 2023	13 th February, 2024

- g. The previous Annual General Meeting of the Company was held on 20th September, 2023 and it was attended by the Chairman of the Committee.
- h. The Company Secretary of the Company acts as Secretary to the Committee.
- i. The Board had accepted all the recommendations of the Audit committee of the board during the financial year 2023-24.

(ii) NOMINATION AND REMUNERATION COMMITTEE:

- The Nomination & Remuneration Committee was constituted in August 1998.
- The Committee is governed by a Charter.
- The brief description of the terms of reference of the Committee inter alia includes:

Charter of the Committee:

The purpose of the Committee is to:

- Manage the following set of activities with respect to members of the Board of Directors of the Company:
 - Appointment of Directors
 - Formulate the criteria for determining qualification, positive attributes and independence of Directors
 - Review and recommend potential candidates to the Board for appointment with due consideration to Board diversity
 - Evaluation of performance of the Directors of the Board
 - Establish criteria for evaluation of Director's performance
 - Conduct evaluation and submit the report to the Chairman of the Board (if necessary, the Committee may seek external consulting assistance in this matter)
 - Remuneration of Directors including Executive and Non-executive Directors
 - Recommend policy for approval by the Board
- Manage the following set of activities with respect to key managerial personnel viz., Executive Directors, Managing Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary of the Company and in future, such persons as recommended by the Board:
 - Establish and review the performance scorecard for key managerial personnel for each financial year
 - Review and recommend compensation, incentive and bonus plans for MD/CEO and other key managerial personnel based on performance evaluation outcomes
 - The committee should also review, guide, and finalize succession planning for key managerial personnel
- Manage the following set of activities with respect to the senior management of the Company:
 - Review the performance scorecard for the senior management for each financial year
 - Review and recommend to the Board the compensation, incentive, and bonus plans for the senior management as proposed by the HR Head/Manager/CFO based on his / her evaluation of the performance outcomes of the senior management
 - The Committee should also review, guide, and finalize succession planning for senior management
- Devising a policy on diversity of board of directors.
- To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Report on Corporate Governance

8. Other activities:
- Wherever considered necessary, the committee may review matters such as Organizational Structure, HR Charter, proposal from the HR Head/Manager/CFO on annual compensation plan, pay hikes and budgets across organization for all employees globally etc.
 - In case considered appropriate the Board may recommend a review of any other areas considered critical to performance of Business.
- d. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its chairperson/members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Ms. Sangeeta Talwar (Chairperson)*	Independent & Non-executive	4	4
Dr. Nikhil Sinha (Member)	Independent & Non-executive	4	4
Mr. Pawan Kumar Danwar(Member)	Non-independent & Non-executive	4	4

*Ms. Sangeeta Talwar, retired, after completion of her second term as Independent Director w.e.f. from closing hour of 31st March, 2024.

**Mr. Ritu Arora was appointed as Chairperson of Nomination and Remuneration Committee w.e.f. 1st April, 2024.

- e. The Committee met Four (4) times during the financial year 2023-24 on the following dates:

22 nd May, 2023	7 th November, 2023
10 th August, 2023	13 th February, 2024

- f. The Board had accepted all the recommendations of the Nomination and Remuneration Committee during the financial year 2023-24.

- g. There is no change in the senior management during the financial year.

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

Within the ceiling of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013 and after obtaining the approval of the shareholders, the Non-executive Directors are paid a commission, the amount whereof is determined based on the policy adopted by the Company laying down the criteria relating to their positions on the Board and the various Board Committees. However, in view of the losses incurred by the Company during the year ended 31st March 2024, no commission be paid to Non-executive Directors for the year ending 31st March 2024.

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

- i. **Details of remuneration paid / payable to all the Directors for the period from 1st April, 2023 to 31st March 2024**

(₹/Lakhs)

Name	Salary & Allowances	Perquisites	Performance Linked Bonus	Commission	Sitting Fees
Dr. Nikhil Sinha	NIL	NIL	NIL	NIL	9.75
*Mrs. Sangeeta Talwar	NIL	NIL	NIL	NIL	10.50
*Mr. Kaushik Dutta	NIL	NIL	NIL	NIL	8.25
Ms. Ritu Arora	NIL	NIL	NIL	NIL	8.25
Mr. Pawan Kumar Danwar	NIL	NIL	NIL	NIL	NIL
Mr. Neelesh Agarwal	NIL	NIL	NIL	NIL	NIL
**Mr. Raghu Venkat Chivukula	NIL	NIL	NIL	NIL	3.0
**Mr. Kirti Kumar Dawar	NIL	NIL	NIL	NIL	3.0
Total	NIL	NIL	NIL	NIL	42.75

*Mr. Kaushik Dutta and Ms. Sangeeta Talwar, retired, after completion of their second term as Independent Director w.e.f. from closing hour of 31st March 2024.

Report on Corporate Governance

**Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar appointed as Additional Directors, designated as Independent and Non-Executive Director, w.e.f. 10th August 2023. Appointment of Mr. Raghu and Mr. Dawar has been regularized by shareholders of the Company in 37th Annual General Meeting held on 20th September, 2023.

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

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

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

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

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

- l. There were no pecuniary relationships or material, financial and commercial transactions of the Non- executive Directors and the senior management vis-à-vis the company.
- m. As on 31st March 2024, Mr. Kaushik Dutta was holding 4,000 shares in the Company. No other Director was holding any shares of the Company as on 31st March 2024.

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:

- a. The Stakeholders Relationship Committee was constituted to oversee and review all matters connected with the transfer and transmission of shares of the Company and the matters related thereto and redressal of shareholders/investors' complaints.
- b. The role of the committee shall inter-alia include the following:
1. To Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
 2. To review the communication received from shareholders and how the issues has been addressed by the Company/RTA.
 3. To approve share transfers or delegate the same to an officer or a committee or to the registrar and share transfer agent who will attend to share transfer formalities at least once in a fortnight.
 4. To authorize RTA to have frequent meeting for transfer of shares in physical form submit the report to the Company on share transferred, rejection cases of transfer.
 5. To review and approve to release new share certificates without surrender of the corresponding old share certificates which are reported lost and not traceable and to transmit the shares, if requested.
 6. To review the details of shareholders and shareholding on a periodical basis and report in the stakeholders relationship meeting.
 7. To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and note the Certificate issued by the RTA of the Company on various compliances related to maintenance of shareholders data and connected matters like share like transfer, split, dematerialization, re-materialization etc.
 8. To review the shareholding pattern including change in shareholding of promoters, if any.
 9. To review the details of dealing in shares by Directors/Designated Employees.
 10. Review of measures taken for effective exercise of voting rights by shareholders.
 11. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Report on Corporate Governance

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

Name	Category	No. of Meetings	
		Held	Attended
Ms. Sangeeta Talwar (Chairperson)*	Independent & Non-executive	1	1
Mr. Pawan Kumar Danwar(Member)	Non-independent & Non-executive	1	1
Mr. Neelesh Agarwal(Member)	Non-independent & Non-executive	1	1

*Ms. Sangeeta Talwar, retired, after completion of her second term as Independent Director w.e.f. from closing hour of 31st March 2024.

Mr. Kirti Kumar Dawar was appointed as Chairperson of Stakeholder and relationship Committee w.e.f. 1st April 2024.

- d. The Committee met one time during the financial year 2023–24 on 22nd May 2023.

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

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

f. **Investor Grievances / Complaints**

The details of the Investor Complaints during the Financial Year ended 31st March 2024 are as follows:

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

(iv) OTHER COMMITTEES

a. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Company no longer meets any of the criteria required for composition of CSR Committee i.e. net worth criteria, turnover criteria, or net profit criteria, hence, CSR Committee was dissolved during the year.

b. **FINANCE COMMITTEE**

1. The Company constituted a Committee of Director in 1999 and renamed as Finance Committee in 2011.
2. The Committee is governed by a Charter.
3. The terms of reference of the Committee inter alia includes: -
 - Capital structure plans and specific equity and debt financings;
 - Review the Corporate Guarantee/bonds provided by the Company either directly or through banks in connection with the Company's business, to any third parties and recommend to the Board.
 - Approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
 - The Committee shall review annual budgets and other financial estimates and provide its recommendations to the Board.
 - The Committee shall on a quarterly basis review the actual performance of the Company against the plans.
 - Capital expenditure plans and specific capital projects.
 - Evaluate the performance of and returns on approved capital expenditure.
 - Customer financing.

Report on Corporate Governance

- Mergers, acquisitions, buy backs, demerger and divestitures
 - Evaluate the performance of acquisitions
 - Fresh/further Investment in subsidiaries / JVs / Branches
 - Evaluate the performance of subsidiaries / JVs / branches
 - Plans and strategies for managing the foreign exchange exposure
 - Investment of surplus funds
 - The Committee shall recommend dividend policy to the Board.
 - Insurance coverage and program
 - Perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.
 - Delegate authorities from time to time to the executives/authorized persons to implement the decisions of the Committee within the powers authorized above
 - Review of the total BG issued v/s BG Limits
4. The composition of the Finance Committee and the details of meetings attended by its chairperson/members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kaushik Dutta(Chairperson)*	Independent & Non-executive	2	2
Mr. Pawan Kumar Danwar(Member)	Non-Independent & Non-executive	2	2
Ms. Ritu Arora(Member)	Independent & Non-executive	2	2

*Mr. Kaushik Dutta, retired, after completion of his second term as Independent Director w.e.f. from closing hour of 31st March, 2024.

Dr. Nikhil Sinha was appointed as Chairperson of Finance Committee w.e.f. 1st April, 2024.

5. The Committee met two times during the financial year 2023–24 on 22nd May 2023 and 13th February, 2024.
6. The board had accepted all the recommendations of the Finance Committee, which was mandatorily required, during the financial year 2023-24.

4. Independent Directors' Meeting

During the year under review, the Independent Directors' meeting was conducted on 13th February 2024, to discuss the following:

- review the performance of Non-independent Directors and the Board as a whole
- review the performance of the Chairman of the Company, taking into account the views of Non-executive Directors
- assess quality, quantity, and timeliness of flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably

All Independent Directors attended the meeting.

5. Familiarization Programme for Independent Directors

During the year under review, Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar were appointed as Independent Directors. The Company has organized a familiarization programme for them on 14th September 2023. The details of familiarization programmes are posted on the website of the company and can be accessed at

<https://www.hclinfosystems.in/wp-content/uploads/2016/09/Familiarization-programme.pdf>

6. Key Board Skills, Expertise and Competence

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

Report on Corporate Governance

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

Sr. No	Area of Expertise/ skills/competence	Dr. Nikhil Sinha	Mr. Kaushik Dutta	Ms. Sangeeta Talwar	Ms. Ritu Arora	Mr. Pawan Kumar Danwar	Mr. Neelesh Agarwal*	* Mr. Raghu Venkat Chivukula	*Mr. Kirti Kumar Dawar
1	Strategy (Experience in developing and implementing business strategy)	✓	✓	✓	✓	✓	✓	✓	✓
2.	Leadership (Leadership experience and corporate leadership positions held)	✓	✓	✓	✓	✓	✓	✓	✓
3.	Financial and Risk Management (Experience in financial accounting, corporate finance, risk management and internal controls)	✓	✓	✓	✓	✓	✓	-	✓
4.	Governance and Board (Experience as corporate Board member or membership of industry or other governance bodies)	✓	✓	✓	✓	✓	✓	✓	✓
5.	Technology (Significant background in or knowledge of technology including its impact on business models and strategy)	✓	-	-	-	-	-	-	-
6.	Legal Background (Experience in legal matters)	-	-	-	-	-	-	✓	✓

Note: *Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar appointed as Additional Directors, designated as Independent and Non-Executive Director, w.e.f. 10th August, 2023. Appointment of Mr. Raghu Venkat Chivukula and Mr. Kirti Kumar Dawar has been regularized by shareholders of the Company in 37th Annual General Meeting held on 20th September, 2023.

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

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

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

8. Performance Evaluation

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

Report on Corporate Governance

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

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

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

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

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

10. UNLISTED SUBSIDIARY COMPANIES:

The Company has four unlisted subsidiaries as on 31st March 2024 as under:

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

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

11. MATERIAL SUBSIDIARY COMPANY:

The Company has one material subsidiary as on 31st March 2024 as under:

Name of the Company	Date and place of Incorporation	Name and date of appointment of statutory auditors
HCL Infotech Limited	28 th September 2012 Delhi	M/s BSR & Associates LLP, Chartered Accountants appointed for second term for 5 years in Annual General Meeting held on 9 th September, 2022.

12. RELATED PARTY TRANSACTIONS

All the related party transactions as defined under the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered during the financial year 2023–24 were in the ordinary course of business and at arm's length. The Audit Committee has approved all the related party transactions for the financial year 2023–24. The Company has not entered any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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

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

Report on Corporate Governance

13. VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

14. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Mode/Location
2022-23	20 th September, 2023	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)
2021-22	21 st September, 2022	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)
2020-21	22 nd September, 2021	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)

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

AGM held on 20th September 2023

- Appointment of Mr. Kirti Kumar Dawar (DIN: 00392141) as an Independent Director of the Company.
- Appointment of Mr. Raghu Venkat Chivukula (DIN: 00520704) as an Independent Director of the Company.
- Approval for the remuneration to be paid to Mr. Raj Kumar Sachdeva, Manager of the Company.

AGM held on 21st September 2022

- Approval for the Remuneration to be paid to Mr. Raj Kumar Sachdeva, Manager of the Company.

AGM held on 22nd September 2021

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

15. Postal Ballot

Pursuant to Section 110 and 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company had initiated the process of postal ballot vide Postal Ballot Notice dated 13th February, 2024 for seeking approval of the members of the Company by way of Special Resolution for:

- Re-appointment of Dr. Nikhil Sinha (DIN: 01174807) as a Non- Executive Independent Director of the Company.

Procedure for postal ballot

- Mr. Vineet K Chaudhary, partner of VKC & Associates, Practicing Company Secretary (Membership No. F5327) was appointed as Scrutinizer by the Board of Directors to conduct the postal ballot process in a fair and transparent manner.
- The Company had engaged the services of National Securities Depository Limited (NSDL) for providing remote e- voting facility to all its members. The e-voting period commenced on Friday, 16th February 2024 (09:00 A.M. IST) and ends on Saturday, 16th March 2024 (05:00 P.M. IST).
- In accordance with the MCA & SEBI Circulars, physical copy of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope had not been sent to the shareholders for the Postal Ballot and the shareholders were required to communicate their assent or dissent through the remote e-voting system only.
- The Company had completed the electronic transmission of the Postal Ballot Notice on 15th February, 2024, to the members whose names appeared on the Register of Members/ list of Beneficial Owners as on the cut-off

Report on Corporate Governance

date i.e., Friday, 9th February, 2024 and who had registered their email addresses with the Company/RTA or Depository/Depository Participants.

- The newspaper advertisement regarding completion of dispatch of Postal Ballot Notice was published by the Company in English "Business Standard" and in Hindi "Business Standard" on Friday 16th February, 2024.
- The Scrutinizer after carrying out the scrutiny of all votes had compiled the results and submitted his consolidated report dated 16th March, 2024.

The summarized details of voting as per Scrutinizer's report are as under:

Resolution: Re-Appointment of Dr. Nikhil Sinha (DIN: 01174807) as on Non- Executive Independent Director of the Company

Mode	Total Valid Votes		Votes in Favour			Votes Against		
	Voters	No. of Votes	Voters	No. of Votes	%	Voters	No. of Votes	%
Postal Ballot (Remote e-voting)	787	20,75,70,194	703	20,75,12,125	99.972	84	58,069	0.028

Based on the Scrutinizer's consolidated report dated 16th March, 2024, on the voting on the resolution mentioned in the postal ballot notice, Ms. Komal Bathla, Company Secretary of the Company, duly authorized by the Chairman of the Company, signed, and announced the results of voting on 18th March, 2024. The result was intimated to the National Stock Exchange of India Limited (NSE), the Bombay Stock Exchange of India Limited (BSE), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and was also posted on the website of the Company at www.hclinfosystems.in and NSDL website at www.evoting.nsdl.com. The result was duly displayed on the notice board at the Registered Office at 806, Siddharth, 96 Nehru Place, New Delhi -110019 as well as at the Corporate Office of the Company at A-11, Sector 3, Noida, U.P.-201301. Based on the above postal ballot results, the resolution set out in the Postal Ballot Notice dated 13th February, 2024, was passed with requisite majority on 16th March, 2024, being the last date of e-voting. With declaration of the result as above and with posting of the same on the website of the Company and intimation to the Stock Exchanges & Depositories, the process of postal ballot was duly completed in a fair and transparent manner.

16. MANAGER/CFO CERTIFICATION:

The Certificate as stipulated in Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the financial statements for the financial year ended 31st March 2024 and the Board reviewed the same. Copy of certificate is attached to this report.

17. DISCLOSURES:

- (i) The Company has complied with the requirements of the stock exchanges/SEBI/any statutory authority on all matters related to capital markets during the last three years except error as mentioned below:
 - Delay of 2 days in furnishing prior intimation about the meeting of the board of directors held on 2nd November 2021 in the financial year 2021-22 for which fine has been paid to NSE/BSE under Standard Operating Procedures (SOP) guidelines of SEBI
- (ii) A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The report confirms that the issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (iii) The Board of the Company has adopted a risk management policy for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis, including aligning the internal audit function to areas of key risks.
- (iv) Pursuant to Section 204 of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been done by M/s VKC & Associates, a firm of practicing company secretaries for financial year 2023-24.
- (v) The Company has fulfilled all the Mandatory requirements as per Listing Regulations and the following non-mandatory requirements as prescribed in Part E of Schedule II r/w Regulation 27(1) of Securities and Exchange

Report on Corporate Governance

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a. The Company has appointed non-executive independent director to the post of chairperson and not related to executive officer of the Company.
- b. The statutory financial statements of the Company are unqualified.
- c. Internal Auditor can directly report to the Audit Committee.
- (vi) The company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) The Company has taken a certificate from M/s VKC & Associates, a firm of practicing Company Secretaries confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith as '**Annexure-A**'.
- (viii) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** During the period under review, the total fees of ₹ 57.25 lakhs has been paid to the statutory auditors for the audit/group audit/certification of the Company and its subsidiaries. This fee excludes applicable taxes and out-of-pocket expenses.
- (ix) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:
 - a. Number of compliant filed during the financial year: 0
 - b. Number of compliant disposed of during the financial year: 0
 - c. Number of compliant pending as on the end of the financial year: 0

18. MEANS OF COMMUNICATION:

- (i) **Quarterly/Half Yearly/Annual Results:** The quarterly, half yearly and annual results of the company are sent to the stock exchanges immediately after they are approved by the Board.
- (ii) **News Releases:** The quarterly, half yearly and annual results of the company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the company is situated.

The quarterly financial results during the financial year 2023–24 was published as detailed below:

Quarter (FY 2023-24)	Date of Board Meeting	Date of Publication	Name of the Newspaper
1.	22 nd May, 2023	23 rd May, 2023	Business Standard
2.	10 th August, 2023	11 th August, 2023	Business Standard
3.	7 th November, 2023	8 th November, 2023	Business Standard
4.	13 th February, 2024	14 th February, 2024	Business Standard

- (iii) **Website:** The Company's website www.hclinfosystems.in contains a separate section on 'Investors' where the latest shareholders information is available. The quarterly, half yearly and annual results are regularly posted on the website. Official Press/news releases and presentations on investor call (if any) made by the company from time to time and presentations made to investors and analysts are displayed on the company's website.
- (iv) **NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing Centre:** National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern and corporate governance report, etc., are also filed electronically on NEAPS/ BSE listing centre.
- (v) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Board Report, Auditors' Report, and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the annual report. The annual report is also available on the Company's website.

Report on Corporate Governance

19. GENERAL SHAREHOLDERS' INFORMATION:

- (i) Annual General Meeting:

Date : Wednesday 18th, September 2024

Time : 10:00 A.M.

Mode : Video Conference ("VC")/Other Audio-Visual Means ("OAVM")

(Deemed Venue: 806, Siddharth, 96, Nehru Place, New Delhi - 110019)

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

- (iii) Dividend Payment date: Not Applicable

- (iv) Date of Book Closure: 13th September 2024 (Friday)—18th September 2024 (Wednesday)
(both days inclusive)

- (v) Listing on Stock Exchanges:

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

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

Annual listing fee for the Financial Year 2024-25 has been paid to the BSE Limited and the National Stock Exchange of India Limited.

- (vi) Plant Locations: NA

- (vii) Stock Codes/Symbol:

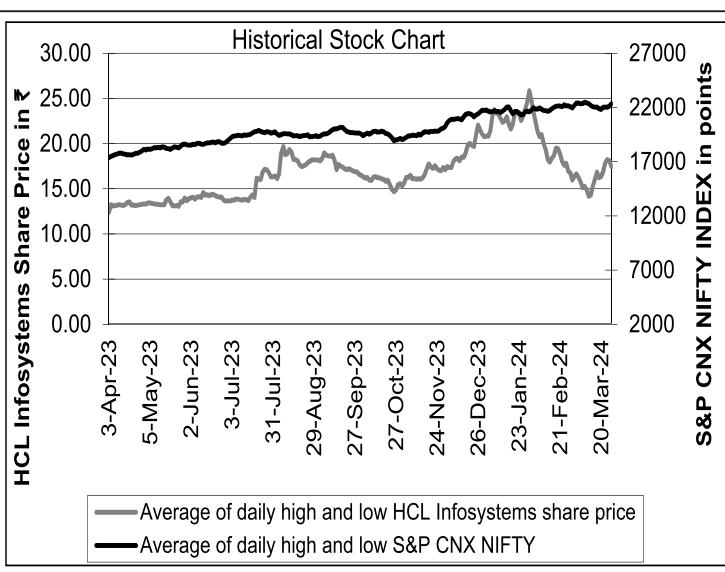
National Stock Exchange of India Limited: HCL-INSYS

BSE Limited : Physical Form–179

: Demat Form–500179

- (viii) Market Price Data:

Month	Company's Share Price	
	High(₹)	Low(₹)
April, 2023	13.85	12.15
May, 2023	14.40	12.90
June, 2023	15.10	13.50
July, 2023	17.50	13.55
August, 2023	20.80	15.80
September, 2023	19.40	16.25
October, 2023	16.80	14.15
November, 2023	18.25	14.85
December, 2023	22.75	16.95
January, 2024	26.40	20.25
February, 2024	25.45	15.50
March, 2024	19.00	13.95



(Source: The National Stock Exchange of India Limited)

- (ix) Registrar and Transfer Agents (RTA):

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

Contact Person : Mr. J. K. Singla, Senior Manager

Phone No. : 011-42541234, 23541234

E-Mail : rta@alankit.com

Website : www.alankit.com

Report on Corporate Governance

(x) Share Transfer System:

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

The Company has also sent letters to all physical shareholders w.r.t. dematerialization of shares.

During the year, the Company had obtained, a certificate, from a Company Secretary in Practice, certifying that all certificates have been issued within thirty days of the date of lodgement for change of name/transmission, consolidation etc. under Regulation 40(9) of the Listing Regulations and filed a copy of the said certificate with the Stock Exchanges. Trading in equity shares of the Company is permitted only in dematerialised form. Transfer of dematerialized shares is done through the depositories with no involvement of the Company.

(xi) Shareholders' Referencer:

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

(xii) Distribution of Shareholding as on 31st March 2024:

No. of equity shares	Shareholders		Total Shares	
	Number	(%)	Number	(%)
Upto 500	1,57,784	83.12	1,63,69,317	4.97
501-1000	15,196	8.00	1,27,98,817	3.89
1001-2000	7,953	4.19	1,23,56,959	3.75
2001-3000	2,952	1.56	76,46,898	2.32
3001-4000	1,328	0.70	48,33,403	1.47
4001-5000	1,421	0.75	68,30,679	2.08
5001-10000	1,875	0.99	1,43,43,118	4.36
10001 and above	1,315	0.69	25,40,30,737	77.16
Total	1,89,824	100.00	3,29,2,09,928	100.00

(xiii) Shareholding pattern as on 31st March 2024:

Category	No. of shares	Percentage (%)
Promoters / Promoters Group	20,70,31,161	62.89
Mutual Funds/Alternate Investment Funds	5,500	0.00
NBFCs	1,44,750	0.04
Foreign Portfolio Investors	6,726	0.00
Financial Institutions / Banks	4,675	0.00
Bodies Corporate	63,55,564	1.93
Indian Public	10,52,40,416	31.98
NRI / Trust/HUF/others	95,20,009	2.89
Central Government (IEPF Fund)	9,01,127	0.27
TOTAL	32,92,09,928	100.00

(xiv) Dematerialization of shares and liquidity:

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e., NSDL & CDSL. As on 31st March 2024, 99.36% equity shares of the Company were held in dematerialized form.

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

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

Report on Corporate Governance

(xv) The Company has not issued any GDRs/ADRs. There are no outstanding warrants or convertible instruments as on 31st March 2024.

(xvi) Address for Correspondence:

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

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

(xvii) Credit Rating

The Company has credit rating as below:

SN	Facilities	Amount (₹ in lakhs)	Rating
1	Long-term/short term bank facilities	23,500.00	CARE BBB+; Stable/ CARE A2
2	Long-term/short term bank facilities	6,500.00	Provisional CARE AA- (CE); Stable / CARE A1+ (CE) #

Based on the credit enhancement in the form of provisional unconditional and irrevocable corporate guarantee to be provided by HCL Corporation Private Limited, the promoter company .

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

(xix) Disclosure of agreements entered into by the shareholder, promoter, promoter group entities, related parties, directors, key managerial personnel or employees of the Company or its holding, subsidiary or associate company which directly or indirectly impact the management or control or impose any restriction or create any liability upon the Company: Not any.

(xx) Company Website:

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

Code of Conduct

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

It is further confirmed that all the Directors and Senior Management have affirmed compliance with the Code for the financial year ended 31st March 2024.

**Raj Kumar Sachdeva
Manager**

Place: Noida

Date: 20th May 2024

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

This to certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2024 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit committee, and steps have been taken to rectify these deficiencies.
- (d) There have been no significant changes in internal controls over financial reporting and in accounting policies during the year requiring disclosure in the notes to the financial statements and we are not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

(Raj Kumar Sachdeva)
Manager

(Alok Sahu)
Chief Financial Officer

ANNEXURE - A
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members of

HCL INFOSYSTEMS LIMITED

CIN: L72200DL1986PLC023955

Registered Office Address: - 806, SIDDHARTH 96,
 NEHRU PLACE, NEW DELHI-110019.

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

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No.	Name of the Directors	Director Identification Number (DIN)	Date of appointment in the Company
1.	Dr. Nikhil Sinha	01174807	29/07/2009
2.	Mr. Neelesh Agarwal	00149856	01/04/2022
3.	Mr. Pawan Kumar Danwar	06847503	21/03/2014
4.	Mrs. Ritu Arora	07019164	06/04/2015
5.	Mr. Kirti Kumar Dawar	00392141	10/08/2023
6.	Mr. Raghu Venkat Chivukula	00520704	10/08/2023
7.	Mrs. Sangeeta Talwar*	00062478	11/02/2014
8.	Mr. Kaushik Dutta*	03328890	11/02/2014

* Mr. Kaushik Dutta and Ms. Sangeeta Talwar, Non- Executive Independent Directors of the Company, retired, after completion of their second term as Independent Directors of the Company w.e.f. closing hours of 31st March 2024.

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

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

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

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

CS Mohit K Dixit
Partner

FCS No.: 12361

CP No.: 17827

UDIN: F012361F000315202
Peer Review Cer. No: 1955/2022

Date : 06.05.2024

Place : New Delhi

Corporate Governance Certificate

INDEPENDENT AUDITORS'

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

TO THE MEMBERS OF HCL INFOSYSTEMS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 October 2022 and addendum to the engagement letter dated 01 May 2024.
2. We have examined the compliance of conditions of Corporate Governance by HCL Infosystems Limited ("the Company"), for the year ended 31 March 2024 as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2024.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on use

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

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Girish Arora

Partner

Membership No: 098652

UDIN: 24098652BKAGIO1711

Secretarial Audit Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2024

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

To,
The Members,
HCL INFOSYSTEMS LIMITED
CIN: L72200DL1986PLC023955
Registered office address: - 806, Siddharth
96 Nehru Place New Delhi South Delhi-110019 India

We report that:

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

Company's Responsibilities

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

Auditor's Responsibilities Statement

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

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

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

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

Limitations

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

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

Basis of opinion

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

Secretarial Audit Report

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable**
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not a registered Registrar to an Issue or Transfer Agent.**
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**
 - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - **Not Applicable**
- (vi) The Information Technology Act, 2000 is specifically applicable to the Company and we have carried out a limited review and also relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with **BSE Limited** (BSE) and **National Stock Exchange of India Limited** (NSE).

Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

We further report that

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

Secretarial Audit Report

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

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

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

We further report that during the audit period the Company has no specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above.

FOR VKC & ASSOCIATES

(*Company Secretaries*)

Unique Code: P2018DE077000

CS Mohit K Dixit

Partner

FCS No. 12361

C P No. 17827

UDIN: F012361F000401640

Peer Review Certificate Number: 1955/2022

Date : 22.05.2024

Place : New Delhi

Secretarial Audit Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2024

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

To,

The Members,

HCL INFOTECH LIMITED

CIN U72200DL2012PLC242944

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

We report that:

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

Company's Responsibilities

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

Auditor's Responsibilities Statement

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

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

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

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

Limitations

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

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

Basis of opinion

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

Secretarial Audit Report

Report on Secretarial Records and Compliances thereof

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not Applicable**
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable**
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not a registered Registrar to an Issue or Transfer Agent.**
 - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**
 - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - **Not Applicable**
- (vi) The Information Technology Act, 2000 is specifically applicable to the Company and we have carried out a limited review and also relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s); - **Not Applicable**

Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company has been constituted by Non-Executive Directors and Independent Director. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice(s) has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has

Secretarial Audit Report

been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, the Company has no specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines.

FOR VKC & ASSOCIATES

(Company Secretaries)

Unique Code: P2018DE077000

CS Mohit K Dixit

Partner

FCS No. 12361

C P No. 17827

UDIN: F012361F000401741

Peer Review Certificate No.: 1955/2022

Date : 22.05.2024

Place : New Delhi

Independent Auditor's 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 2024, 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 material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its 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 Related to Going Concern

We draw attention to note 53 to the standalone financial statements, which states that the Company has continuously made losses for past several years and its net worth is fully eroded. Further, the Company's current liabilities exceed its current assets as at 31 March 2024 by ₹ 42,556.82 lakhs (31 March 2023: ₹ 43,080.79 lakhs). These conditions, along with other matters set forth in note 55, 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 53 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.

Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

HCL INFOSYSTEMS

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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. The going concern matter described in the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.
 - b. The Company have long-term contracts for which there are no material foreseeable losses. The Company did not have any long-term derivative contracts as on 31 March 2024.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 58 to the standalone financial statements, no funds have been advanced or loaned or invested

(either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 58 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used an accounting software, operated by a third party service provider, for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in the absence of an independent auditor's report for the said software, we are unable to comment whether audit trail feature was enabled at the database level. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Girish Arora

Partner

Membership No.: 098652

ICAI UDIN:24098652BKAGIJ4040

Place: New Delhi
Date: 22 May 2024

Annexure A To Independent Auditor's Report

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HCL Infosystems Limited for the year ended 31 March 2024

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

- 3(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering services related to value-added distribution of technology, mobility and consumer electronic products. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company, except for the quarter ended 31 March 2024 which is not yet due for submission.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has granted loans to Companies during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or security and advances in the nature of loans to any Companies during the year. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to the Company as below:

₹ in lakhs

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year – Subsidiary*	-	-	0.75	-
Balance outstanding as at balance sheet date – Subsidiary*	-	-	2.75	-

*As per the Companies Act, 2013

Annexure A To Independent Auditor's Report

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the terms and conditions of the grant of loans during the year are, *prima facie*, not prejudicial to the interest of the Company
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of following loans given, there is no stipulation of schedule of repayment of principal and payment of interest since these loans are either repayable on demand or as and when the surplus fund would be available with the respective parties. Accordingly, we are unable to comment on the regularity of repayment of principal and payment of interest.

Name of the entity	Amount (₹ in lakhs)	Remarks
Pimpri Chinchwad e Services Limited	2.75	There is not stipulation of schedule of repayment of principal or payment of interest since these loans are either repayable on demand or as and when the surplus fund would be available with the respective parties.

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

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans of ₹ 2.75 lakhs given to Pimpri Chinchwad e Services Limited, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Also, refer to our comments in sub clause 3(iii)(c) and (d) above.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

₹ in lakhs			
	All Parties	Promoters	Related Parties*
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of Repayment (B)**	2.75	-	2.75
Total (A+B)	2.75	-	2.75
Percentage of loans/advances in nature of loan to the total loans	100%	0%	100%

*Given to the subsidiary.

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

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

Annexure A To Independent Auditor's Report

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of dues	Amount of demand ₹ in lakhs)	Amount of deposit ₹ in lakhs)	Period to which it relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise	49.44	1.85	2006-07 to 2008-09, 2010-11	Upto Commissioner (Appeals)
Customs Act, 1962	Excise	2.00	-	2008-09	Upto Commissioner (Appeals)
Customs Tariff Act, 1975	Customs	4,047.00	500.00	2005-2009	Tribunal
Finance Act, 1994	ServiceTax	35,185.67	1,327.00	2006-2009, 2010-2015	Tribunal
Finance Act, 1994	ServiceTax	7,093.98	500.00	2003-06, 2010-11 to 2013-14	High Court
Central Sales Tax, 1956	CST	242.01	136.36	2002-03 to 2015-16	Tribunal
Central Sales Tax, 1956	CST	1,298.23	309.32	2004-05 to 2017-18	Upto Commisioner (Appeals)
Entry Tax Act	Entry Tax	12.29	1.00	2012-14	High Court
Entry Tax Act	Entry Tax	9.15	28.47	2009-10, 2013-14	Tribunal
Entry Tax Act	Entry Tax	82.19	31.47	2008-09 to 2017-18	Upto Commisioner (Appeals)
Goods & Service Tax, 2017	GST	140.69	10.39	2017-18 to 2019-20	Upto Commisioner (Appeals)
Sales Tax/ Value added tax under various states	Sales tax	1,936.26	5,355.33	2005-06 to 2015-16	High Court
Sales Tax/ Value added tax under various states	Sales tax	556.50	177.32	2002-03 to 2015-16	Tribunal
Sales Tax/ Value added tax under various states	Sales tax	5,760.79	1,121.16	2004-05 to 2017-18	Upto Commisioner (Appeals)
Income tax act, 1961	Income tax	1,850.00	-	A.Y 2005-06, 2006-07, 2011-12, 2016-18, 2022-23 and 2023-24	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	1,995.00	-	A.Y 2006-07 and 2013-14	Tribunal
Entry Tax Act	Entry Tax	110.89	45.67	2012-13	Supreme Court of India

Annexure A To Independent Auditor's Report

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiary (as defined under the Act) as per details below:

Nature of fund taken	Name of lender	Amount involved (₹ in lakhs)	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Short term loan (Unsecured)	HCL Corporation Private Limited	2.75	Pimpri Chinchwad e Services Limited	Subsidiary company	Working capital requirements	Funds were taken for day-to-day operational requirement.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

Annexure A To Independent Auditor's Report

- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has incurred cash losses of Rs 289.15 lakhs in the current financial year and Rs 850.00 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 53 to the standalone financial statements, which indicates that the Company has incurred a net loss of ₹ 1,554.88 Lakhs during the year ended 31 March 2024 and, as of that date, the Company's net worth is fully eroded and that the current liabilities exceed its current assets by ₹ 42,556.82 Lakhs. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that a material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, the significant promoter shareholder, has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024

Girish Arora

Partner

Membership No.: 098652

ICAI UDIN:24098652BKAGIJ4040

Place: New Delhi
Date: 22 May 2024

Annexure B To Independent Auditor's Report

Annexure B to the Independent Auditor's Report on the standalone financial statements of HCL Infosystems Limited for the year ended 31 March 2024

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 Act

(Referred to in paragraph 2(A)(h) 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 Infosystems Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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's Registration No.:116231W/W-100024*

Girish Arora

Partner

Membership No.: 098652
ICAI UDIN:24098652BKAGIJ4040

Place: New Delhi
Date: 22 May 2024

Standalone Balance Sheet as at March 31, 2024

	Notes	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3	224.80	251.56
Intangible assets	4	26.43	34.00
Financial Assets			
(i) Investments	5	4.25	4.25
(ii) Other financial assets	7	649.48	1,587.51
Other tax assets (net)	8	1,994.32	2,698.74
Other non-current assets	9	12,681.21	13,082.49
		15,580.49	17,658.55
(2) Current assets			
Inventories	10	-	-
Financial Assets			
(i) Investments	6	2,436.25	2,522.30
(ii) Trade receivables	11	114.29	116.90
(a) Billed		-	-
(b) Unbilled		-	-
(iii) Cash and cash equivalents	12	829.74	1,392.99
(iv) Bank balances other than (iii) above	13	3,310.62	2,191.61
(v) Loans	14	2.96	2.06
(vi) Other financial assets	15	278.74	666.25
Other current assets	16	463.60	450.98
Assets held for sale	47	10.00	313.00
		7,446.20	7,656.09
Total Assets		23,026.69	25,314.64
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	17	6,584.21	6,584.21
Other equity	18	(33,653.94)	(32,099.11)
		(27,069.73)	(25,514.90)
(2) Liabilities			
Non-current liabilities			
Non-current provisions	19	93.40	93.40
Current liabilities			
Financial liabilities			
(i) Borrowings	20	35,500.00	35,500.00
(ii) Trade payables	21	9.17	8.09
(a) Total outstanding dues of micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,277.12	2,262.83
(iii) Other financial liabilities	22	215.51	420.19
Other current liabilities	23	280.69	2,238.03
Provisions	24	11,720.53	10,307.74
		50,003.02	50,736.88
Total Equity and Liabilities		23,026.69	25,314.64
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

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

Pawan Kumar Danwar

Director

DIN - 06847503

Raghav Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

	Notes	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
Income :			
Revenue from operations	25	474.53	607.86
Other income	26	1,309.36	1,366.65
Total income		1,783.89	1,974.51
Expenses:			
Direct Expense		469.83	603.47
Changes in inventories of stock-in -trade	27	-	2.00
Employee benefits expense	28	600.57	866.51
Finance costs	29	43.24	152.54
Depreciation and amortization expense	3,4	52.81	56.83
Other expenses	30	1,864.68	2,622.39
Total expenses		3,031.13	4,303.74
Loss before exceptional items and tax		(1,247.24)	(2,329.23)
Exceptional items	34	(307.64)	(1,507.87)
Loss before tax		(1,554.88)	(3,837.10)
Income tax expense:			
Current tax		-	-
Deferred tax	46	-	-
Loss for the year		(1,554.88)	(3,837.10)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Gain/(loss) on remeasurement of defined benefit plan	43	0.05	2.09
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		0.05	2.09
Earnings/(Loss) per share (in ₹ Per share)	41	(1,554.83)	(3,835.01)
- Basic and diluted (of ₹ 2/- each)		(0.47)	(1.17)
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

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

Pawan Kumar Danwar

Director

DIN - 06847503

Raghu Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

Standalone Statement of Changes in Equity for the year ended March 31, 2024

a. Equity Share Capital ₹/Lakhs

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
6,584.21	-	6,584.21
Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
6,584.21	-	6,584.21

b. Other Equity ₹/Lakhs

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2022	1,19,438.10	16,928.80	21,583.00	(1,86,214.00)	(28,264.10)
Loss for the year	-	-	-	(3,837.10)	(3,837.10)
Other comprehensive loss for the year	-	-	-	2.09	2.09
Balance as at 31.03.2023	1,19,438.10	16,928.80	21,583.00	(1,90,049.01)	(32,099.11)
Balance as at 01.04.2023	1,19,438.10	16,928.80	21,583.00	(1,90,049.01)	(32,099.11)
Loss for the year	-	-	-	(1,554.88)	(1,554.88)
Other comprehensive income for the year	-	-	-	0.05	0.05
Balance as at 31.03.2024	1,19,438.10	16,928.80	21,583.00	(1,91,603.84)	(33,653.94)

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 losses of the Company accumulated as on Balance Sheet date.

Capital Reserve:

Capital Reserve represents amounts arising from merger of wholly owned subsidiaries, Digilife Distribution & Marketing Services Limited and HCL Learning Limited with HCL Infosystems Limited accounted for as common control transactions as per Approved Scheme of Arrangement.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

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

Girish Arora

Partner

Membership Number - 098652

Pawan Kumar Danwar

Director

DIN - 06847503

Raghu Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

Standalone Cash Flow Statement

for the year ended March 31, 2024

		Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
1. Cash Flow from Operating Activities:			
Loss before tax		(1,554.88)	(3,837.10)
Adjustments for:			
Depreciation and amortisation expense	52.81	56.83	
Finance cost	43.24	152.54	
Interest income	(251.75)	(178.39)	
Interest on income tax refund	(61.18)	-	
Net gains on fair value changes on investments	(36.42)	(19.95)	
Net profit on sale of properties	(1,196.36)	(1,384.87)	
Property, plant and equipment written-off	-	17.76	
Gain on sale of investment carried at FVTPL	(130.47)	(117.25)	
Provision for Loss in subsidiary	1,504.00	2,891.77	
(Gain)/loss on foreign exchange fluctuation	34.63	(68.86)	
Provision for doubtful debts	-	133.72	
Net provisions for Input tax credit	334.73	224.88	
Provisions for doubtful other current assets	38.46	77.54	
Provisions/liabilities no longer required written back	(661.28)	(755.97)	1,029.75
Operating loss before working capital changes		(329.59)	(2,807.35)
Changes in operating assets and liabilities			
Decrease/(Increase) in trade receivables	166.46	(138.21)	
Decrease in non-current assets	415.01	234.00	
Decrease/(Increase) in current assets	3.30	(244.92)	
Decrease in inventories	-	2.00	
Increase in non current liabilities	0.74	14.64	
Decrease in current liabilities	(274.73)	(1,570.86)	(1,703.35)
Cash used in from operations		310.78	(4,510.70)
Net tax refund (including interest)		(1,573.69)	1,551.13
Net cash used in from operating activities(A)		765.49	(2,959.57)
2. Cash flow from investing activities:			
Purchase of properties plant and equipments and intangible assets	(19.13)	(44.00)	
Proceeds from sale of properties, plant and equipments	0.44	3,341.84	
Proceeds from sale of investments	14,652.21	21,106.28	
Purchase of current investments	(14,399.28)	(15,599.22)	
Interest received	252.00	178.46	
Maturity/(creation) of bank deposits (net)	(196.44)	351.95	
Inter corporate deposits given	(0.75)	(2.06)	9,333.25
Net cash generated from investing activities(B)		289.05	9,333.25

Standalone Cash Flow Statement

for the year ended March 31, 2024 (Contd.)

	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
3. Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	35,500.00	35,500.00
Repayment of loans and borrowings	(35,500.00)	(41,403.80)
Interest paid	(43.44)	(244.72)
Net cash used in financing activities (C)	(43.44)	(6,148.52)
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(562.59)	225.16
Opening balance of cash and cash equivalents	1,392.99	1,079.83
Exchange difference on translation of foreign currency cash and cash equivalent	(0.66)	88.00
Closing balance of cash and cash equivalents	829.74	1,392.99
Cash and cash equivalents comprise of	829.74	1,392.99
Cash in hand	0.11	0.11
Balances with banks on current accounts (refer note 12)	829.63	1,193.33
Balances with banks on deposits accounts (refer note 12)	-	199.55

Notes:

Figures in brackets indicate cash outflow.

Summary of material accounting policies (refer note 2)

Note A: Reconciliation of liabilities arising from financing activities:

Borrowings	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
Opening Balance	35,500.00	41,403.80
Cash flows (net)	-	(5,903.80)
Non cash changes	-	-
Closing Balance	35,500.00	35,500.00

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

HCL Infosystems Limited

Pawan Kumar Danwar

Director

DIN - 06847503

Raghu Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

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 annual maintenance contracts related to Enterprise Distribution Customers.

The financial statements were approved by the Board of Directors and authorised for issue on 22.05.2024.

2. Material accounting policies

This note provides a list of the material 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 standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') 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. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

(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 financial assets and liabilities which have been measured at fair value except for the following items:

- a. Certain financial assets and liabilities (including derivative instruments) measured at fair value where Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments).
- b. Defined benefit assets / (liability) measured at fair value of plan assets (if any) less the present value of defined benefit obligation.
- c. Optionally Convertible Debentures measured at fair value

(iii) Current /non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

IndAS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that,

Notes to the Standalone Financial Statements

on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.3 Use of estimates

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

2.4 Critical accounting estimates, assumptions and judgements

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

a) 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. (refer note 46)

b) 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. (refer note 35)

c) Allowance for uncollected trade receivable, unbilled revenue, contract assets 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. (refer note 32 (ia))

d) Liquidated damages

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

e) 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. (refer note 5)

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

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

Notes to the Standalone Financial Statements

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.

Estimation of fair value of Optionally Convertible Debentures issued by a wholly owned subsidiary is estimated basis the future collection of assigned 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 / 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. (refer note 25)

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 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment (including capital-work-in progress) are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

Cost of any item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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 is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Notes to the Standalone Financial Statements

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Asset	Management's estimate of useful life	Useful Life as per Schedule II
Building	60 Years	60 Years
Plant and Machinery	5 Years	15 Years
Furniture and Fixtures	3-5 Years	10 Years
Vehicles	5 Years	6 Years
Computers	3 Years	3- 6 Years

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss. Goodwill is not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Intangible assets (other than Goodwill) are amortised at straight line basis as follows:

Intellectual Property Rights	7 years
Software	1-5 years

2.7 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

Notes to the Standalone Financial Statements

recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

2.8 Financial instruments

A. Financial instruments – Initial recognition and measurement

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

B. Financial assets

1. Subsequent measurement

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

Debt instrument

a. Financial assets at fair value through profit or loss

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

b. Financial assets measured at amortised cost

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

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

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

Investment in subsidiaries

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

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.

Notes to the Standalone Financial Statements

C. Financial liabilities

1. Subsequent measurement

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

Financial liabilities measured at amortised cost

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

2. Derecognition

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

D. Offsetting financial instruments

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

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

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

F. Fair value measurement

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

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

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

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

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

2.9 Income tax

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

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

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred

Notes to the Standalone Financial Statements

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.

2.10 Inventories

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

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

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

2.11 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.

2.12 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

Notes to the Standalone Financial Statements

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

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

c. Investment in subsidiaries

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

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

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

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

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

2.13 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.

2.14 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.

Notes to the Standalone Financial Statements

2.15 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.

2.16 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 Company. Contingent assets are disclosed where an inflow of economic benefits is probable.

2.17 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 (₹), 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.

Notes to the Standalone Financial Statements

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.

2.18 Revenue recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

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

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

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time are recognized based on progress towards completion of the performance obligation using percentage-of-completion (POC) method of accounting. Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

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

The Company recognizes an onerous contract provision when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in cost of revenues.

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

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discount estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.19 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.

Notes to the Standalone Financial Statements

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.

Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the year in which they occur.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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

Other benefits

Compensated absences

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

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

Long term employee benefits

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

2.20 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.

2.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company

Notes to the Standalone Financial Statements

- 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.

2.22 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 understanding of the Company's underlying performance.

2.23 Changes in material accounting policies

Material accounting policy information The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Notes to the Standalone Financial Statements

3 Property, plant and equipment

The changes in carrying value of property, plant and equipment

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount ₹/Lakhs
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	
Freehold land	6.00	-	-	6.00	-	-	-	-	6.00
Buildings	195.16	-	-	195.16	10.08	8.20	-	18.28	176.88
Plant and machinery	1.00	0.14	-	1.14	1.00	0.14	-	1.14	-
Furniture and fixtures	4.90	-	-	4.90	3.36	0.99	-	4.35	0.55
Computers	332.97	18.99	15.96	336.00	274.03	35.91	15.31	294.63	41.37
Total	540.03	19.13	15.96	543.20	288.47	45.24	15.31	318.40	224.80

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount ₹/Lakhs
	As at 01.04.2022	Additions	Disposal/ Adjustment	As at 31.03.2023	As at 01.04.2022	Additions	Disposal/ Adjustment	As at 31.03.2023	
Freehold land	6.00	-	-	6.00	-	-	-	-	6.00
Buildings	326.00	-	130.84	195.16	5.00	7.08	2.00	10.08	185.08
Plant and machinery	1.00	-	-	1.00	1.00	-	-	1.00	-
Furniture and fixtures	5.00	-	0.10	4.90	-	3.36	-	3.36	1.54
Computers	320.00	15.62	2.65	332.97	240.00	39.07	5.04	274.03	58.94
Total	658.00	15.62	133.59	540.03	246.00	49.51	7.04	288.47	251.56

4 Intangible Assets

The changes in carrying value of intangible assets

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount ₹/Lakhs
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	
Software	287.77	-	-	287.77	253.77	7.57	-	261.34	26.43
Total	287.77	-	-	287.77	253.77	7.57	-	261.34	26.43

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount ₹/Lakhs
	As at 01.04.2022	Additions	Disposal/ Adjustment	As at 31.03.2023	As at 01.04.2022	Additions	Disposal/ Adjustment	As at 31.03.2023	
Software	250.00	37.77	-	287.77	246.45	7.32	-	253.77	34.00
Total	250.00	37.77	-	287.77	246.45	7.32	-	253.77	34.00

Notes to the Standalone Financial Statements

Particulars	As at 31.03.2024		As at 31.03.2023	
	Units	Amount ₹/Lakhs	Units	Amount ₹/Lakhs
5 Non-current investments				
Unquoted				
Investments in equity instruments of subsidiaries (At cost)				
Pimpri Chinchwad eServices Limited	42,500	4.25	42,500	4.25
HCL Infotech Limited	2,20,300	66,846.04	2,20,300	66,846.04
		66,850.29		66,850.29
		66,846.04		66,846.04
		4.25		4.25
Less: Impairment in the value of investment *				
Total investments in equity instruments of subsidiaries				
* Impairment allowances for investment in subsidiaries				
-HCL Infotech Limited		66,846.04		66,846.04
		66,846.04		66,846.04
Aggregate book value of unquoted investments (net of impairment)		4.25		4.25
Aggregate amount of impairment in the value of investments		66,846.04		66,846.04
6 Current investments				
Unquoted (Others)				
Investment in mutual funds at FVTPL				
Growth options				
Aditya Birla Sun Life Savings Fund - [NAV - ₹ Nil (2023- ₹ 464.16)]	-	-	1,30,927	607.71
HDFC Ultra Short Term Fund - [NAV - ₹ 13.85 (2023- ₹ 12.92)]	66,05,783	914.71	70,19,054	907.00
ICICI Pru Ultra Short Term Fund - Growth - [NAV - ₹ 25.31 (2023- ₹ 23.61)]	60,11,252	1,521.54	42,67,200	1,007.59
Total current investments		2,436.25		2,522.30
Aggregate amount of book value and market value of unquoted investment		2,436.25		2,522.30

Notes to the Standalone Financial Statements

Particulars	As at 31.03.2024	As at 31.03.2023
	Amount ₹/Lakhs	Amount ₹/Lakhs
7 Other financial assets - non-current		
Considered Good		
Security deposits	-	14.70
Balance with bank- margin money*	0.67	924.00
Business consideration receivable (refer note 57)	648.81	648.81
TOTAL	649.48	1,587.51
*Balances held as margin money towards obtaining Bank Guarantees.		
7A Deferred tax assets (net)		
Deferred tax assets (refer note 46)	-	-
TOTAL	-	-
8 Other tax asset		
Advance income tax (net of provisions) [Provision for income tax of ₹ 4,665 lakhs (2023 - ₹ 4,665 lakhs)]	1,994.32	2,698.74
TOTAL	1,994.32	2,698.74
9 Other non-current assets		
Deposits with tax authorities	12,681.01	13,081.95
Others	0.20	0.54
TOTAL	12,681.21	13,082.49
10 Inventories		
Stock-in-trade [Including in-transit ₹Nil(2023-₹Nil)]	-	-
TOTAL	-	-
11 Trade receivables*		
a) Billed	114.29	116.89
Unsecured, considered good	2,927.99	3,108.61
Credit impaired		
Less : Allowance for doubtful debts	3,042.28	3,225.50
b) Unbilled revenue	2,927.99	3,108.60
TOTAL	114.29	116.90
*refer note no 32 (ia) disclosure related to ageing of trade receivables and refer note no 44 for related party balances.		
12 Cash and cash equivalents		
Balances with banks	829.63	1,193.33
- Current account	0.11	0.11
Cash on Hand		
Bank deposits with original maturity of three months or less	31.45	231.00
Less: Money held in trust	31.45	31.45
TOTAL	829.74	199.55
		1,392.99

Notes to the Standalone Financial Statements

Particulars	As at 31.03.2024	As at 31.03.2023
	Amount ₹/Lakhs	Amount ₹/Lakhs
13 Other bank balances		
Bank deposits with original maturity of more than three months but less than 12 months*	1,964.24	1,617.02
Balances with banks		
- On margin account	1,346.38	574.59
TOTAL	3,310.62	2,191.61
* includes ₹ 124 lakhs (2023- ₹ 117 lakhs) lien marked with Banks.		
14 Loans		
Unsecured		
Considered good		
Loans and advances to subsidiaries (refer note 44)	2.96	2.06
TOTAL	2.96	2.06
Note:		
Unsecured loan given to subsidiaries is repayable on demand and carries interest rate 6.87% to 7.18% pa.		
15 Other current financial assets		
Considered good		
Security deposits	6.39	6.88
Other financial assets	-	136.98
Considered doubtful		
Others (includes employee advances, insurance claim recoverable)	563.12	563.12
Less: Allowance for doubtful advances	563.12	563.12
Other receivable from related parties (refer note 44)	272.35	-
TOTAL	278.74	522.39
		666.25
16 Other current assets		
Unsecured		
Considered good		
Balances with government authorities	171.35	186.95
Advances to creditors	109.51	24.15
Prepaid expenses	109.24	167.88
Others (employee related recoverable)	73.50	72.00
Considered Doubtful		
Deposits and other advances	312.67	281.08
Less: Allowance for doubtful advances	312.67	281.08
Input tax credit	4,976.78	4,651.78
Less: Allowance for input tax credit	4,976.78	4,651.78
TOTAL	463.60	450.98

Notes to the Standalone Financial Statements

Particulars	As at 31.03.2024		As at 31.03.2023	
	Amount ₹/Lakhs		Amount ₹/Lakhs	
17 Share capital				
Authorised				
85,30,00,000 Equity Shares (2023 - 85,30,00,000) of ₹ 2/- each	17,060.00			17,060.00
5,00,000 Preference Shares (2023 - 5,00,000) of ₹ 100/- each	500.00			500.00
TOTAL	17,560.00			17,560.00
<u>Issued, Subscribed and Fully Paid up</u>				
32,92,09,928 Equity Shares (2023 - 32,92,09,928) of ₹ 2/- each	6,584.20			6,584.20
Add: Shares Forfeited - 1,000 shares of ₹ 1/- each (2023 - 1,000 shares of ₹ 1/- each)	0.01			0.01
TOTAL	6,584.21			6,584.21

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	As at 31.03.2024		As at 31.03.2023	
		Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Corporation Private Limited	16,44,21,399	49.94		16,44,21,399	49.94
(b) VAMA Sundari Investments(Delhi) Private Limited	4,26,03,194	12.94		4,26,03,194	12.94

(iii)	Promoters shareholding in the Company	As at 31.03.2024		% change during the year	As at 31.03.2023	
		Number of Shares	% of shares		Number of Shares	% of shares
(a) HCL Corporation Private Limited	16,44,21,399	49.94		-	16,44,21,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	4,26,03,194	12.94		-	4,26,03,194	12.94
(c) Mr. Shiv Nadar	3,055	0.00		-	3,055	0.00
(d) Mrs. Roshni Nadar Malhotra	2,893	0.00		-	2,893	0.00
(e) Mrs. Kiran Nadar	620	0.00		-	620	0.00

Notes to the Standalone Financial Statements

Particulars	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
18 Other Equity		
A. Reserve and surplus		
(a) Securities premium reserves		
Opening balance	1,19,438.10	1,19,438.10
Closing Balance	1,19,438.10	1,19,438.10
(b) Capital Reserve		
Opening Balance	16,928.80	16,928.80
Closing Balance	16,928.80	16,928.80
(c) General reserve		
Opening balance	21,583.00	21,583.00
Closing balance	21,583.00	21,583.00
(d) Retained earnings		
Opening balance	(1,90,049.01)	(1,86,214.00)
Loss for the year	(1,554.88)	(3,837.10)
Remeasurement of post employment benefit obligation, (net of tax)	0.05	2.09
Closing balance	(1,91,603.84)	(1,90,049.01)
TOTAL	(33,653.94)	(32,099.11)
19 Non-current provisions		
Provision for gratuity and other employee benefits (refer note 43) [includes ₹ 15.05 lakhs (2023 - ₹ 12.70 lakhs) for leave encashment and ₹ 4.39 lakhs (2023 - ₹ 9.72 lakhs) other employee benefits]	93.40	92.66
TOTAL	93.40	92.66
20 Current borrowings		
Unsecured:		
Loans		
- From related parties (refer note 44)	35,500.00	35,500.00
TOTAL	35,500.00	35,500.00
Notes:		
1. Unsecured Intercorporate Loan from HCL Corporation Private Limited amounting to ₹ 35,500 lakhs (2023 - ₹ 35,500 lakhs) is repayable in 11 months from the date of availment of each tranche, which is interest free.		
2. The company has obtained non fund-based facility based on security of current assets, submission of intimation for quarterly results with banks has been done as and when due except for quarter ended March 31, 2024 which is not yet due.		
21 Trade payables*		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 36) and	9.17	8.09
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,277.12	2,262.83
TOTAL	2,286.29	2,270.92

*refer note 32 (iiia) disclosure related to ageing of trade payable and refer note 44 for related party balances.

Notes to the Standalone Financial Statements

Particulars	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
22 Other current financial liabilities		
Employee benefits payable	209.63	201.84
Capital creditors	5.88	18.35
Advances received against proposed sale of HCL Infotech Limited (refer note 56)	-	200.00
TOTAL	215.51	420.19
23 Other current liabilities		
Deferred revenue*	69.42	67.83
Advances received from customers*	80.72	571.17
Statutory dues payable	130.55	103.03
Advances received against non-current assets held for sale (refer note 47)	-	1,496.00
TOTAL	280.69	2,238.03
*Contract liability comprises deferred revenue and advance received from customer which represents amount billed and collected from customers in respect of ongoing projects and projects under litigation. Contract liability in respect of project under litigation will be recognized as revenue upon final resolution of litigation. Contract liability in respect of ongoing projects are recognized over a period of time as and when the services are rendered. The amount of ₹ 67.83 lakhs included in contract liabilities at 31 March 2023 has been recognised as revenue during the year ended 31 March 2024 (31 March 2023: ₹ 134.80 lakhs).		
24 Current provisions		
Provision for gratuity and other employee benefits (refer note 43) #	69.17	78.52
Provision for Losses of subsidiary (refer note 34 (a))	10,421.00	8,917.00
Provision for litigation {refer note 35 (c)}	1,230.36	1,312.22
TOTAL	11,720.53	10,307.74
[# includes ₹ 2.62 lakhs (2023- ₹ 3.67 lakhs) for provision for leave encashment and ₹ 59.38 lakhs (2023 - ₹ 64.03 lakhs) for other employee benefits]		

Particulars	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
25 Revenue from operations		
Rendering of services	474.53	607.86
TOTAL	474.53	607.86
Revenue by time		
Revenue recognised at a point in time	-	-
Revenue recognised over a period of time	474.53	607.86
TOTAL	474.53	607.86

Notes to the Standalone Financial Statements

Particulars	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
26 Other income		
Interest income from financial asset at amortised cost		
- On fixed deposits	211.98	138.73
- On optionally convertible debenture (refer note 44)	39.77	39.66
- On others	86.11	-
Net gains on fair value changes on investments	36.42	19.95
Gain on sale of investment carried at FVTPL	130.47	117.25
Net profit on sale of property, plant and equipment	0.00	1.10
Gain on foreign exchange fluctuation	-	98.58
Provisions/liabilities no longer required written back	661.28	755.97
Miscellaneous income*	82.15	195.41
Interest income on Income tax refund	61.18	-
TOTAL	1,309.36	1,366.65
*includes miscellaneous expense recovery with respect to property monetisation of ₹ 67.05 lakhs (2023 - ₹ 76.39 lakhs)		
27 Changes in inventories		
Closing balance		
- Stock-in-trade	-	-
Opening balance		
- Stock-in-trade	-	2.00
Transferred to Subsidiaries (Refer Note 51)	-	2.00
Changes in inventories	-	2.00
28 Employee benefits expense		
Salaries, wages and bonus (refer note 43)	764.79	831.53
Contribution to provident and other funds (refer note 43)	22.00	22.39
Staff welfare expenses	9.94	12.59
TOTAL	796.73	866.51
Less: Cost allocation for common services * (refer note 44)		
TOTAL	196.16	-
*this represents cost allocated to subsidiary company for common services.		
29 Finance costs		
Interest on unsecured borrowings	-	101.50
Other costs (processing and other fees)	43.24	51.04
TOTAL	43.24	152.54

Notes to the Standalone Financial Statements

Particulars	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
30 Other expenses		
Rent (refer note 40)	63.95	69.53
Rates and taxes	329.10	258.88
Communication	35.53	35.32
Travelling and conveyance	41.23	72.74
Legal, professional and consultancy charges (refer note 38)	501.31	570.33
Retainership expenses	318.48	347.11
Office electricity and water	34.64	54.93
Insurance	44.68	52.43
Technology Cost	266.92	339.64
Outsourcing cost	130.83	113.53
Bank charges	9.23	10.45
Allowance for doubtful debts	-	133.72
Provision for doubtful other current assets	38.46	77.54
Net provisions for Input tax credit	334.73	224.88
Repairs		
- Buildings	0.42	1.48
- Others	24.76	75.48
Net loss on foreign exchange fluctuation (other than considered as finance cost)	33.43	-
Miscellaneous#	96.90	184.40
TOTAL	2,304.60	2,622.39
Less: Cost allocation for common services * (refer note 44)	439.92	-
TOTAL	1,864.68	2,622.39
*this represents cost allocated to subsidiary company for common services. #includes director sitting fees of ₹ 42.75 lakhs (2023 - ₹ 44.25 lakhs)		

Financial Instruments and Risk Management

31 Fair Value Measurements

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

₹/Lakhs

Particulars	Notes	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Non-current assets					
(i) Investment in subsidiaries	5	-	4.25	4.25	4.25
		-	(4.25)	(4.25)	(4.25)
(ii) Others	7	-	649.48	649.48	649.48
		-	(1,587.51)	(1,587.51)	(1,587.51)
		-	653.73	653.73	653.73
		-	(1,591.76)	(1,591.76)	(1,591.76)

Notes to the Standalone Financial Statements

Particulars	Notes	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	₹/Lakhs Total Fair Value
Current assets					
(i) Investments	6	2,436.25 (2,522.30)	-	2,436.25 (2,522.30)	2,436.25 (2,522.30)
(ii) Trade receivables	11	-	114.29 (116.90)	114.29 (116.90)	114.29 (116.90)
(iii) Cash and cash equivalents	12	-	829.74 (1,392.99)	829.74 (1,392.99)	829.74 (1,392.99)
(iv) Other bank balances	13	-	3,310.62 (2,191.61)	3,310.62 (2,191.61)	3,310.62 (2,191.61)
(v) Loans	14	-	2.96 (2.06)	2.96 (2.06)	2.96 (2.06)
(vi) Others	15	-	278.74 (666.25)	278.74 (666.25)	278.74 (666.25)
		2,436.25 (2,522.30)	4,536.35 (4,369.81)	6,972.60 (6,892.11)	6,972.60 (6,892.11)
Current liabilities					
(i) Borrowings	20	-	35,500.00 (35,500.00)	35,500.00 (35,500.00)	35,500.00 (35,500.00)
(ii) Trade payables	21	-	2,286.29 (2,270.92)	2,286.29 (2,270.92)	2,286.29 (2,270.92)
(iii) Other financial liabilities	22	-	215.51 (420.19)	215.51 (420.19)	215.51 (420.19)
		-	38,001.80 (38,191.11)	38,001.80 (38,191.11)	38,001.80 (38,191.11)

Note: Previous year figures are given in brackets.

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2024 and March 31, 2023 and the basis for that measurement is as below:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	2,436.25 (2,522.30)	2,436.25 (2,522.30)	-	-
Investments carried at fair value through other	-	-	-	-
Investments carried at fair value through other comprehensive income	-	-	-	-
Unrealized gain on derivative financial instruments	-	-	-	-

Notes to the Standalone Financial Statements

₹/Lakhs

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Liabilities				
Unrealized loss on derivative financial instruments	-	-	-	-
Contingent consideration	-	-	-	-
Others	-	-	-	-

Note: Previous year figures are given in brackets.

Valuation Methodologies

Investments: The Company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2. Investments in unquoted equity shares and limited liability partnerships are classified as fair value through profit and loss and are classified as Level 3. The re-measurement is calculated using unobservable inputs based on the Group's own assessment of third party valuations and respective company's financial performance.

32 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 that can be hedged. 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 in Fixed deposits and Mutual Funds, Trade receivables, Cash and cash equivalents, Bank balances, Loans*, Other financial assets	Portfolio & Aging analysis and credit appraisal	Diversification of bank deposits and investments, pre defined investment criteria.
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, working capital facilities and liquid investments and financial support from promoter shareholder
Market risk	Forex: Future commercial transactions, Recognized financial assets not denominated in Functional currency Mutual Funds: Changes in economic conditions, monetary policies, and geopolitical events.	Forex: Position of net foreign exchange risk, based on relative assets and liabilities Mutual Funds: Portfolio and performance analysis	Forex: Natural Hedge Mutual Funds: Portfolio analysis and diversification

The Company's risk management is carried out by the treasury under policies approved by the senior management and audit committee.

*All of the Company's loans at amortised cost are considered to have low credit risk, and the loss allowance, if any, is limited to 12 months' expected losses. Management considers instruments to be low credit risk when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

Notes to the Standalone Financial Statements

Financial Risk Management

32 (i) Credit Risk

Credit risk arise from possibility that customer may default on its obligation resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivables.

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments in debt securities. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The credit risk 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 age wise breakup of receivables

₹/Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Not Due	109.14	62.24
0-90 days past due	-	21.24
91-180 days past due	1.11	21.50
181-365 days past due	4.04	20.54
1 - 2 years past due	112.63	34.93
More than 2 years past due	2,815.36	3,065.05
	3,042.28	3,225.50

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:

₹/Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Balance at the beginning	3,108.60	2,977.98
Add: Provided during the year	-	130.62
Less: Provision Reversal	(159.09)	-
Less: Amounts written off	(21.52)	-
Balance at the end	2,927.99	3,108.60
Weighted average loss rate (in percentage)	96.24%	96.38%

Notes to the Standalone Financial Statements

32 (ia) Ageing Schedule in respect of trade receivables for the year ended March 31, 2024 and March 31, 2023

₹/Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables-considered good	109.14 (62.24)	1.11 (42.74)	4.04 (11.64)	-	-	-	114.29 (116.62)
(b) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables -credit impaired	-	-	-	112.63 (35.03)	-	2,815.36 (3,073.85)	2,927.99 (3,108.88)
(d) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(e) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	109.14 (62.24)	1.11 (42.74)	4.04 (11.64)	112.63 (35.03)	-	2,815.36 (3,073.85)	3,042.28 (3,225.50)
Less:Allowance for doubtful debts							2,927.99 (3,108.60)
Total							114.29 (116.90)
Unbilled Revenue							-
Total							114.29 (116.90)

Note: Previous year figures are given in brackets.

Financial Risk Management

32 (ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. (Also refer note 53)

Notes to the Standalone Financial Statements

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

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*	35,500.00 (35,500.00)	-	35,500.00 (35,500.00)	-	-	-
Trade payables	2,286.29 (2,270.92)	-	2,286.29 (2,270.92)	-	-	-
Other financial liabilities						
- Capital Creditors	5.88 (18.35)	-	5.88 (18.35)	-	-	-
- Employee Benefits Payable	209.63 (201.84)	-	209.63 (201.84)	-	-	-
- Others	- (200.00)	-	- (200.00)	-	-	-
Total non-derivative liabilities	38,001.80 (38,191.11)	-	38,001.80 (38,191.11)	-	-	-

*Also refer note 53 for financial support provided by HCL Corporation Private Limited.

Note: Previous year figures are given in brackets.

32 (iia) Ageing Schedule in respect of trade payable for the year ended March 31, 2024 and March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME*	24.58 (2.44)	- (5.65)	-	-	-	24.58 (8.09)
(b) Others	8.90 (48.42)	62.64 (68.45)	80.76 (43.49)	42.63 (38.16)	416.19 (414.76)	611.12 (613.28)
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	192.30 (26.11)	192.30 (166.19)
Total	33.48 (50.86)	62.64 (74.10)	80.76 (43.49)	42.63 (64.27)	608.49 (580.95)	828.00 (813.67)
Unbilled Dues						1,458.29 (1,457.25)
Total						2,286.29 (2,270.92)

Note: Previous year figures are given in brackets.

*MSME includes micro, small and medium enterprises.

Notes to the Standalone Financial Statements

32 (iii) Market Risk

(i) Mutual Fund risk

Market risk may arise due to changes in economic conditions, monetary policies, and geopolitical events. Group has investment in short term debt mutual funds.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's does not have any exposure to the risk of changes in market interest rates as there is no such borrowings.

(iii) Foreign currency risk

The Company's major operations are in India and are in ₹ 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 ₹ are as follows

₹/Lakhs

Particulars	USD
Financial Assets	
Trade receivables	665.15 (655.30)
Cash and cash equivalents	- (0.00)
Net exposure to foreign currency risk (assets)	665.15 (655.30)
Financial Liabilities	
Trade Payables	452.09 (332.17)
Derivative liabilities	
Foreign exchange forward contracts	- (0.00)
Net exposure to foreign currency risk (liabilities)	452.09 (332.17)

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.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (₹/Lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
USD sensitivity (assets)	5%	33.26	32.77	(33.26)	(32.77)
USD sensitivity (liabilities)	5%	(22.60)	(16.61)	22.60	16.61

Notes to the Standalone Financial Statements

33 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 31.03.2024 and 31.03.2023 are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023	₹/Lakhs
Total Debt	35,500.00	35,500.00	
Equity	(27,069.73)	(25,514.90)	
Capital and net debt	8,430.27	9,985.10	
Gearing ratio	421.10%	355.53%	

34 Exceptional items:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023	₹/Lakhs
a. Provision for losses of HCL Infotech Limited	(1,504.00)	(2,891.77)	
b. Profit on sale of properties (refer note 47)	1,196.36	1,383.90	
Total	(307.64)	(1507.87)	

The Company has made provision of ₹ 1,504.00 lakhs (2023- ₹ 2,891.77 lakhs), on account of accumulated losses and erosion of net worth of HCL Infotech Limited, as at the balance sheet date. HCL Infotech Limited has been incurring operational losses during the last few years due to various reasons including delay in collections of receivables, challenging market conditions, cost overruns and legal expenses in respect of long-term contracts. Considering the fact that most of these long-term contracts were originally entered with the Company and transferred to HCL Infotech Limited through the Scheme of Arrangement in the past, there is a constructive obligation for the Company to provide operational and financial support to HCL Infotech Limited for execution of its contracts. This constructive obligation is also supported by the past practice followed by the Company wherein it has been, from time to time, voluntarily extending financial support to its subsidiaries, even during challenging market circumstances. Such continuous and timely support from the Company has helped fund the losses of its subsidiaries and enabled them to meet their financial obligations without any delays/ defaults. Basis the same, the Company is creating provision for losses of subsidiary in the standalone financials to the extent of accumulated losses and erosion of net worth of subsidiary, as at the reporting date. This has been treated as a present obligation of the Company wherein it is probable that an outflow of resources will be required to support HCL Infotech and pay its liabilities that are more than its assets as on reporting date, as required by IndAS 37.

35 a) Contingent liabilities:

Claims against the Company not acknowledged as debts:

Particulars	As at 31.03.2024	As at 31.03.2023	₹/Lakhs
Sales tax*	9,258.92	11,095.73	
Excise, Service Tax and Customs*	45,982.10	45,982.10	
Income tax	4,259.36	3,483.91	
Industrial disputes, civil suits and consumer disputes	414.50	443.53	

* The company has deposited ₹ 12,681.01 lakhs (2023 - ₹ 13,080.98 lakhs) under protest against these claims.

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 outcome 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.

Notes to the Standalone Financial Statements

b) Other litigations:

- The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business. Some of these matters include speculative and frivolous claims. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2024.
- c) As at 31.03.2024, the Company has certain sales tax and other indirect tax litigation matters against which provision amounts to ₹ 1,230.36 lakhs (2023 - ₹ 1,312.22 lakhs) is outstanding. Provision amounting to ₹ 200.06 lakhs (2023 - ₹ 168.72 lakhs) was created and ₹ 273.31 lakhs (2023 - ₹ 44.86 lakhs) was utilized during the year.

36 Disclosure of Micro and Small Enterprises based on information available with the Company: ₹/Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
a. (i) Principal amount remaining unpaid to any supplier as at the end of the year	9.17	8.09
(ii) Interest due on the above amount	-	0.13
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	76.60	566.46
c. Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act	2.11	-
d. Amount of interest accrued and remaining unpaid at the end of the year	2.11	15.75
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	-	-

- 37 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.

38 Remuneration to Auditors*: ₹/Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
For statutory audit including limited review	40.50	38.00
For tax audit	1.00	-
For group reporting and certifications	7.75	2.25
For reimbursement of expenses	4.93	4.03
Total	54.18	44.28

* excluding GST as applicable

Notes to the Standalone Financial Statements

39 Status of Charges beyond statutory period (borrowings)

The following satisfaction is yet to registered with Registrar of Companies beyond statutory period for the year ended March 31, 2024.

Charge Id	Charge Holder Name	Date of Creation/ Modification	Brief description of charges	Location of registrar	Period of delay (in month)	Amount in ₹	Reason for delay
90060501	Indian Bank	27-11-2002	Working capital loan from banks	Delhi	Refer Note 1 below	10,70,00,000	Refer Note 1 below
90045479	State Bank Of Mysore	13-01-1989	Working capital loan from banks	Delhi		50,00,000	
90045470	United Commercial Bank	22-12-1988	Working capital loan from banks	Delhi		1,58,00,000	
90045466	State Bank Of Hyderabad	09-12-1988	Working capital loan from banks	Delhi		26,00,000	
90045429	State Bank Of Patiala	07-09-1988	For purchase of plant and machinery	Delhi		75,00,000	
90161667	State Bank Of Mysore	15-07-1982	Not available in records	Delhi		2,00,000	

Note 1: The above charges are appearing on ROC website in respect of facilities availed by the Company in earlier years and closed long time back. Satisfaction of above with ROC requires no objection certificate from respective lenders which could not be obtained due to non availability of information considering that these are very old charges.

40 Leases:

Cancelable Operating Leases

As a Lessee

In terms of criteria specified in Ind AS 116 Leases, the company does not have any lease other than with short term period. Rent expenses in respect of short term leases amounting ₹ 63.95 lakhs (2023 - ₹ 69.53 lakhs) is expensed off on straight line basis over lease term as rent expenses (refer note 30).

41 Earnings/(Loss) 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 31.03.2024	Year ended 31.03.2023
Loss after tax (₹ /Lakhs)	(1554.88)	(3837.10)
Weighted average number of shares outstanding in computation of Basic EPS	32,92,09,928	32,92,09,928
Weighted average number of shares outstanding in computation of Diluted EPS	32,92,09,928	32,92,09,928
Basic and diluted (of ₹ 2/- each)	- ₹ 0.47	- ₹ 1.17

42 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.

Notes to the Standalone Financial Statements

43 Employee benefits

(a) Defined Contribution

The Company has recognised the following amounts in the statement of profit and loss:

₹/Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i) Employers Contribution to Superannuation Fund*	2.30	2.11
(ii) Employers Contribution to National Pension Scheme*	2.32	2.34
(iii) Employers contribution to Employee State Insurance*	0.06	0.09
(iv) Employers contribution to Employee's Pension Scheme 1995*	4.78	5.74
(v) Employers contribution to Provident Fund* (effective from August 1, 2022)	10.32	11.00

* Included in contribution to provident and other funds under Employee benefits expense (refer note 28).

(b) Defined Benefit

(i) Provident Fund (till July 31,2022)

The employee provident fund trust "Hindustan Computers Limited Employees Provident Fund Trust" which was managed by the Company till 31st July 2022, has been migrated to Regional Provident Fund Commissioner (RPFC) with effect from 1st August 2022 and there was no shortfall in the fund balance on the date of transfer to RPFC. The Company's contribution to Recognised Provided Fund for the period 1 August 2022 to 31 March 2023 has been disclosed in note 43 (a) above.

(ii) Gratuity

In accordance with Ind AS 19, an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Gratuity	
	Year ended 31.03.2024	Year ended 31.03.2023
Discount rate (per annum)	7.21%	7.28%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives of employees (years)	9.94	10.04

As of 31.03.2024, every 0.5 percentage point increase / decrease in discount rate will affect gratuity benefit obligation by approximately by ₹ 1.52 lakhs.

As of 31.03.2024, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect gratuity benefit obligation by approximately ₹ 1.46 lakhs.

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.

Notes to the Standalone Financial Statements

₹/Lakhs

Particulars	Gratuity	
	As at 31.03.2024	As at 31.03.2023
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	81.05	105.75
Current service cost	5.05	5.49
Interest cost	5.90	5.32
Total amount recognised in profit or loss	10.95	10.81
Actuarial (gain)/loss from change in demographic assumptions	0.02	3.09
Actuarial (gain)/loss from change in financial assumptions	0.29	(3.80)
Experience (gain)/loss	(0.36)	(1.39)
Total amount recognised in other comprehensive income	(0.05)	(2.10)
Benefits paid	(10.83)	(33.41)
Present value of obligation at the end of the year	81.12	81.05

₹/Lakhs

Particulars	Gratuity	
	As at 31.03.2024	As at 31.03.2023
Cost recognised for the year :		
Current service cost	5.05	5.49
Interest cost	5.90	5.32
Actuarial (gain)/loss	(0.05)	(2.10)
Net cost recognised for the year*	10.90	7.71

* 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 28) and other comprehensive income.

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

₹/Lakhs

Particulars	Gratuity	
	As at 31.03.2024	As at 31.03.2023
Present value of the obligation as at the end of the year	81.12	81.05
Assets/(Liabilities) recognised in the Balance Sheet	(81.12)	(81.05)
Experience adjustment in plan liabilities	(0.36)	(1.39)

Notes to the Standalone Financial Statements

44 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

Pimpri Chinchwad eServices Limited (holding 85% of shareholding)

Step down subsidiaries:

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

SSN Trust

VAMA Sundari Investments (Delhi) Private Limited

SSN Investments (Pondi) Private Limited

d) Key Management Personnel:

Mr. Alok Sahu - Chief Financial Officer

Mr. Raj Kumar Sachdeva- Manager

Ms. Komal Bathla- Company Secretary

e) Independent & Non-Executive Director:

Dr. Nikhil Sinha, Chairman

Ms. Sangeeta Talwar (Retired w.e.f closing hours of 31st March 2024)

Mr. Kaushik Dutta (Retired w.e.f closing hours of 31st March 2024)

Ms. Ritu Arora

Mr. Kirti Kumar Dawar (appointed w.e.f. 10th August 2023)

Mr. Raghu Venkat Chivukula (appointed w.e.f. 10th August 2023)

f) Non- Independent & Non-Executive Director:

Mr. Pawan Kumar Danwar

Mr. Neelesh Agarwal

Notes to the Standalone Financial Statements

		₹/Lakhs									
		Company having substantial interest*#			Subsidiaries		Others	Key Management Personnel	Total		
		Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
A. Transactions (YTD)											
Current borrowings taken		35,500.00	35,500.00	-	-	-	-	-	35,500.00	35,500.00	35,500.00
Current borrowings repaid		35,500.00	35,500.00	-	0.75	2.06	-	-	35,500.00	35,500.00	35,500.00
Loans and Advances Given (Net)					0.75	2.06	-	-	0.75	2.06	2.06
- Pimpri Chinchwad eServices Limited					0.75	2.06	-	-	0.75	2.06	2.06
Interest Charged on Loans & Advances Given					0.16	0.07	-	-	0.16	0.07	0.07
- Pimpri Chinchwad eServices Limited					0.16	0.07	-	-	0.16	0.07	0.07
Interest on OCD (Income)%					39.77	39.66	-	-	39.77	39.66	39.66
- HCL Infotech Limited					39.77	39.66	-	-	39.77	39.66	39.66
Rent Expense					0.12	0.15	-	25.68	25.71	25.80	25.86
- SSN Investments (Pondi) Private Limited					-	-	25.56	25.56	-	25.56	25.56
- HCL Corporation Private Limited					0.12	0.15	-	-	-	0.12	0.15
- VAMA Sundari Investments (Delhi) Private Limited					-	-	0.12	0.15	-	0.12	0.15
Remuneration					-	-	-	210.36	201.93	210.36	201.93
- Mr. Alok Sahu					-	-	-	109.36	106.18	109.36	106.18
- Ms.Komal Bathla					-	-	-	17.52	14.66	17.52	14.66
- Mr. Raj Sachdeva					-	-	-	83.48	81.09	83.48	81.09
Director Sitting fees					42.75	44.25	-	-	-	42.75	44.25
- Ms. Sangeeta Talwar					10.50	12.75	-	-	-	10.50	12.75
- Mr. Kaushik Dutta					8.25	10.50	-	-	-	8.25	10.50
- Ms. Ritu Aurora					8.25	10.50	-	-	-	8.25	10.50
- Mr. Nikhil Sinha					9.75	10.50	-	-	-	9.75	10.50
- Mr. Raghu Venkat Chivukula					3.00	-	-	-	-	3.00	-
- Mr. Kirti Kumar Dawar					3.00	-	-	-	-	3.00	-
Reimbursements towards expenditure					636.09	687.23	-	-	-	636.09	687.23
a) Received					636.09	687.23	-	-	-	636.09	687.23
- HCL Infotech Limited					5.91	-	12.05	-	-	17.96	-
b) Paid					5.91	-	-	-	-	5.91	-
- HCL Infotech Limited					-	-	-	-	-	12.05	-
- SSN Investments (Pondi) Private Limited					-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

	Company having substantial interest**#	Subsidiaries		Others		Key Management Personnel		Total		₹/Lakhs
		Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	
B. Amount due to / from related parties										
Investment in Pimpri Chinchwad Eservices Limited. (Gross)	-	-	4.25	4.25	-	-	-	-	-	4.25
Investment in HCL Infotech Limited (Gross)	-	-	66,846.04	66,846.04	-	-	-	-	66,846.04	66,846.04
Impairment allowance on investment in HCL Infotech Limited	-	-	-66,846.04	-66,846.04	-	-	-	-	-66,846.04	-66,846.04
Trade Receivables	-	-	38.12	2.64	8.49	33.31	-	-	46.61	35.95
- HCL Infotech Limited	-	-	38.04	2.56	-	-	-	-	38.04	2.56
- HCL Technologies Limited	-	-	-	-	8.48	31.22	-	-	8.48	31.22
- Others	-	-	0.08	0.08	0.01	2.09	-	-	0.09	2.17
Current borrowings from HCL Corporation Limited	35,500.00	35,500.00	-	-	-	-	-	35,500.00	35,500.00	
Loans and Advances (Gross) given to Pimpri Chinchwad eServices Limited^	-	-	2.96	2.06	-	-	-	2.96	2.06	
Trade Payables	-	-	41.97	77.53	-	-	-	41.97	77.53	
- HCL Infotech Limited	-	-	42.18	77.62	-	-	-	42.18	77.62	
- Others	-	-	-0.21	-0.09	-	-	-	-0.21	-0.09	
Investment in Optionally Convertible Debentures (OCD) of HCL Infotech Limited\$	-	-	9.89	9.56	-	-	-	9.89	9.56	
Other Recoverable	0.09	0.09	263.45	513.59	6.39	12.98	-	269.93	526.66	
- HCL Infotech Limited	-	-	263.45	513.59	-	-	-	263.45	513.59	
- HCL Corporation Private Limited	0.09	0.09	-	-	-	-	-	0.09	0.09	
- HCL Technologies Limited	-	-	-	-	-	-	-	-	-	6.59
- SSN Investments (Pondi) Private Limited	-	-	-	-	-	6.39	6.39	-	6.39	6.39
Other Payables	0.12	0.66	1.62	-	0.12	0.66	-	1.86	1.32	
- HCL Infotech Limited	-	-	1.62	-	-	-	-	-	1.62	-
- HCL Corporation Private Limited	0.12	0.66	-	-	-	0.66	-	-	0.12	0.66
- VAMA Sundari Investments (Delhi) Private Limited	-	-	-	-	-	0.12	0.66	-	0.12	0.66

Sales and related income, sale of services, purchase of goods and purchase of services are net of transaction between HCL Infotech Limited and the Company on account of pending novation of contracts of system integration business. Further, with respect to certain contracts, the Company is currently pursuing arbitrations to claim amounts due to the Company for services provided. Any amount receivable under such contracts upon issuance of any awards by the arbitral tribunals will be transferred to HCL Infotech Limited, its wholly owned subsidiary since HCL Infotech Limited has been incurring all costs with respect to the said contracts on behalf of the Company and the Company has been remitting amounts received from the respective customers to HCL Infotech Limited.

*# Corporate guarantee utilised ₹ 14,148 lakhs (2023 - ₹ 15,191 lakhs), also refer note 53. This Corporate Guarantee includes utilisation on behalf of HCL Infotech Limited against Bank Guarantee issued by the Company to MTNL for ₹ 12,355 lakhs (2023 - ₹ 12,355 lakhs).

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

% Includes adjustment of ICD amounting to ₹ 40,000 lakhs against subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of 1000 each. (Refer Note 48)
\$ OCD is accounted at Fair value of underlying book receivables of ₹ 9,89 lakhs 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 49)

HCL Infotech limited has provided Corporate Guarantee of ₹ 6,500 lakhs to the Company against Bank Guarantee of ₹ 5,144.45 lakhs issued by the Company for one of the customers. The Corporate Guarantee utilization amount is ₹ 5,144.45 lakhs (2023 - ₹ 5,144.45 lakhs) which is backed by Fixed Deposit made by HCL Infotech Limited of similar amount on which lien has been marked by Bank

Notes to the Standalone Financial Statements

₹/Lakhs

Compensation of key management personnel of the Company	Year ended 31.03.2024	Year ended 31.03.2023
Short-term employee benefits *	210.36	201.93
Total compensation paid to key management personnel	210.36	201.93

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

* short term employee benefits for the year ended March 31, 2024 include post employment benefits comprising gratuity and compensated absences.

45 Disclosures pursuant to the section 186(4) of the Companies Act 2013 and 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;

₹/Lakhs

A.	Loans to subsidiaries	As at 31.03.2024		As at 31.03.2023	
		Pimpri Chinchwad eServices Limited	HCL Infotech Limited	Pimpri Chinchwad eServices Limited	HCL Infotech Limited
a.	Name				
b.	Balance outstanding at the year end	2.96	-	2.16	-
c.	Maximum amount outstanding	2.96	-	2.16	-

B.	Details of investments		
	Nature of Investments	Purpose	
	Refer note 5	Investment in subsidiaries	

₹/Lakhs

C. Loans and advances in the nature of loans to firms/companies in which directors are interested	31.03.2024	31.03.2023
	Nil	Nil

₹/Lakhs

D. Investment by the loanees in the shares of the Company	31.03.2024	31.03.2023
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

46 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.

Notes to the Standalone Financial Statements

(b) Deferred Tax:

Unrecognized deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the company can use the benefits therefrom:

Particulars	As at 31.03.2024	As at 31.03.2023
Deductible temporary differences	16,341.96	16,893.91
Unused tax losses	45,100.64	53,893.33
Total temporary differences and unused tax losses	61,442.60	70,787.24
Potential tax benefit @ 22.88% (FY'2023 - 22.88%)	14,058.07	16,196.12
Total Potential tax benefit @ 22.88% (FY'2023 - 22.88%)	14,058.07	16196.12

(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.

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Income tax expense - current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease in MAT credit	-	-
Decrease / (increase) in deferred tax assets	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-

The option u/s 115BAA of the Income Tax Act, has been exercised w.e.f FY 2021-22. Accordingly, tax provision and computation as per section 115JB of the Income Tax Act w.r.t Minimum alternative tax ("MAT") are not applicable on the company in current year.

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	Year ended 31.03.2024	Year ended 31.03.2023
Loss before tax from continuing operations	(1,554.88)	(3,837.10)
Tax using the company's domestic tax rates of 22.88% (2023 – 22.88%)	(355.76)	(877.93)
Disallowances for which deferred tax not created		
Provision for loss in subsidiary	344.12	662.00
Temporary differences on which no DTA recognised	(60.73)	(31.00)
Impact of Indexation on sale of capital assets	-	(158.98)
Long term capital (income)/loss for which no deferred tax recognised	(313.52)	199.61
Other items	-	9.89
Tax losses on which no deferred tax was recognized	385.89	196.41
Income tax expense	-	-

Notes to the Standalone Financial Statements

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:

Expiry Date	₹/Lakhs	As at 31.03.2024	As at 31.03.2023
31.03.2024		-	1,334.53
31.03.2025		4,430.96	5,585.31
31.03.2026		7,205.25	7,491.90
31.03.2027		5,079.65	7,482.01
31.03.2028		12,693.22	12,693.00
31.03.2029		12,155.95	12,322.14
31.03.2030		-	398.59
31.03.2031		-	531.93
31.03.2032		1,097.59	-
No limit		2,438.02	6,053.92
Total		45,100.64	53,893.33

Note: Excluding unused capital loss.

- 47** 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 as a part of ongoing property monetisation plan, during the year ended, March 31, 2024, the Company has disposed one property situated in Chennai, having net carrying amount of ₹ 303.65 lakhs, for a consideration of ₹ 1,500.00 lakhs, resulting in overall gain of ₹ 1,196.35 lakhs.(₹ 1,383.89 lakhs for the year ended March 31, 2023).
- 48** 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 ₹ 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 ₹ 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.
- 49** The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 48, issued to the Company shall be redeemed only from and to the extent of the proceeds from certain specified book receivables and favorable awards received by the HCL Infotech Limited in accordance with the terms set out in the OCD Subscription Agreement. Accordingly, HCL Infotech Limited transferred its rights to receive cash flows from those specified book receivables and 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 ₹ 1,892 lakhs (including amount of ₹ 867 lakhs of the contract assets) derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs as at March 31, 2021.
- Further, due to change in expected realisation value of above referred specified books receivable, the company has recognised loss of ₹ 1,556 lakhs as change in fair value of OCD through Profit & Loss account during the year ended March 31, 2022.
- 50** Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion, the Company has credited its Statement of Profit and Loss with ₹ 661.28 lakhs, for the year ended March 31, 2024 (2023: ₹ 755.97 lakhs), on account of write back of certain credit balances including provisions and advances.

Notes to the Standalone Financial Statements

51 Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

S.No	Ratio	Numerator	Denominator	31.03.2024	31.03.2023	%variance	Reason for variance
a.	Current Ratio	Current Assets	Current Liabilities	0.15	0.15	-1.31%	N.A
b.	Debt-Equity Ratio	Total Debt	Shareholder's Equity	(1.85)	(1.99)	-7.10%	N.A
c.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	N.A	N.A	N.A	No cash Profit
*Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.							
*Debt Service = Interest & Lease Payments + Principal Repayments							
d.	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	6%	16%	-10.35%	N.A
e.	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	-	607.86	-100.00%	Reduction in average inventory
f.	Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	4.11	5.30	-22.57%	N.A
g.	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.21	0.16	25.25%	Increase in Liability
h.	Net capital turnover ratio	Net Sales	Working Capital	(0.01)	(0.01)	-20.97%	N.A
*Working Capital = Current Assets - Current Liabilities							
i.	Net profit ratio	Net Profit	Net Sales	-328%	-631%	303.58%	scale down of business
j.	Return on Capital employed	Earning before interest and taxes	Capital Employed	-18%	-38%	19.98%	N.A
*Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability							
k.	Return on investment	Income on investments	Cost of Investments	0.07	0.04	3.44%	N.A

*Income on investments = Interest on Fixed deposits (BG) + Gain/(Loss) of fair valuation of investments+Interest on ICD

**Cost of Investments = BG as Fixed deposits + Cost of Mutual funds+ICD

52 Relationship with struck off Companies for the year ended March 31, 2024 and March 31, 2023 ₹/Lakhs

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Mirthway Marketing Network Limited	50 Shares held	0.00 (0.00)	Equity Shareholder
Kothari Intergroup Limited	5 Shares held	0.00 (0.00)	Equity Shareholder
Dream World Commodity Services Private Limited	75 Shares held	0.00 (0.00)	Equity Shareholder
Blue Mountain Holdings Private Limited	425 Shares held	0.01 (0.01)	Equity Shareholder
Dreams Broking Private Limited	40 Shares held	0.00 (0.00)	Equity Shareholder
Pegasus Mercantile Private Limited	1000 Shares held	0.02 (0.02)	Equity Shareholder
Arka Industrial Monitoring Systems	Trade Receivable	3.27 (3.27)	Customer
Hp Financial Services India Private Limited	Trade Receivable	3.28 (3.28)	Customer
Vs Infocom	Trade Receivable	0.37 (0.37)	Customer
Chiptek Systems Private Limited	Trade Receivable	3.33 (3.33)	Customer
Creative Academy Private Limited	Trade Receivable	0.65 (0.65)	Customer

Notes to the Standalone Financial Statements

₹/Lakhs

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Falcon Infosoft Private Limited	Trade Receivable	0.73 (0.73)	Customer
Ishita Technologies Private Limited	Trade Receivable	0.02 (0.02)	Customer

Note: Previous year figures are given in brackets.

Amount in '00' represents less than ₹ one thousand

- 53** For past several years, the Company has continuously made losses and its net worth has been fully eroded. Further the Company has incurred a net loss of ₹ 1,554.88 lakhs, during the current year (March 31, 2023: net loss ₹ 3,837.11 lakhs) and the Company's current liabilities exceeded its current assets by ₹ 42,556.82 lakhs (March 31, 2023: ₹ 43,080.79 lakhs) as at March 31, 2024. The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression.

The management of the Company, has been pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 55), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support in the form of corporate guarantees to banks of ₹ 33,035 lakhs and interest free unsecured loans of ₹ 35,500 lakhs to HCL Infosystems Limited out of total authorized limit of ₹ 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 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 standalone financial statements have been prepared on a going concern basis.

- 54** HCL Infosystems Limited was awarded the order for supply, installation and commissioning of communication infrastructure, on turnkey basis, for CWG (Commonwealth Games) and later the work of re-deployment of equipment in MTNL's network in Delhi and Mumbai was also included. Disputes arose between both the parties with regard to completion of the project and Arbitration proceedings were initiated by HCL Infosystems Limited to recover the pending amount. In August 2014, the Arbitral Tribunal passed an Award in favour of HCL Infosystems Limited, whereby allowing majority of its claim and dismissing all the counter-claims of MTNL. MTNL challenged the Award before the High Court of Delhi and the same was dismissed. MTNL filed an Appeal before the Division Bench of the High Court challenging the said dismissal, wherein during the March 2016, the MTNL was directed to deposit a total sum of ₹ 9,130 Lakhs (₹ 8,035 Lakhs principal and ₹ 1,095 Lakhs interest) with the Court in the form of a Fixed Deposit. This contract was part of Hardware Solutions business transferred to HCL Infotech Limited under Scheme of Arrangement in 2013. HCL Infotech Limited filed an application for release of the aforesaid Fixed Deposit (including accumulated interest accrued thereon till date of release of ₹ 4,307 Lakhs including TDS) of ₹ 12,342 Lakhs. Accordingly, the same has been released on adhoc basis vide order of the Hon'ble High Court of Delhi dated September 28, 2022 against a Bank Guarantee which is backed by Corporate Guarantee provided by HCL Corporation Limited on behalf of HCL Infotech Limited.

As part of issuance of Optionally Convertible Debentures (OCDs) (as referred to in note 48 & 49 above), HCL Infotech Limited has transferred its rights to receive cash flows from MTNL to the HCL Infosystems Limited and as per the terms of OCDs, cash collected shall be utilized to redeem OCDs. However, since MTNL's Appeal is sub-judice (pending disposal) before the Division Bench of the High Court, amount has not been utilized for redemption of OCDs.

- 55** 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.

Notes to the Standalone Financial Statements

- 56** 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 to Novezo Consulting Private Limited, 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. Limited, Singapore & its step down subsidiary through a share purchase agreement. However, despite rigorous and best efforts for closure of the deal, the Conditions Precedent were not fulfilled even after lapse of a considerable period from the date of execution of the Share Purchase Agreement. The objective and purpose of the transaction completely changed and given that the changed circumstances created a fundamentally different situation which the Parties never envisaged or agreed to in the first place, the Share Purchase Agreement got frustrated as the object and purpose of executing the Share Purchase Agreement cannot be met and has undergone a fundamental change beyond the contemplation of the parties. Accordingly, the company issued a letter intimating Novezo Consulting Private Limited that the Share Purchase Agreement has been frustrated on March 11, 2023. HCL Infotech Limited will continue to be operated in the ordinary course of business.
- 57** The Company entered into Share Purchase Agreement (SPA) dated 31.05.2018 with Karvy Data Management Services Limited for sale of shares in HCL Services Limited. As per clause 2.3 of SPA, business consideration of ₹ 648.81 lakhs represents the Second Stage Consideration linked with the Income Tax refunds receivable for the period upto the FY 31.03.2018. The above amount represents refunds due for the AYs. 2015-16 and 2018-19 held up due to appeals pending for these AYs. Karvy is obligated to pay these amounts only on receipt of the same from the IT Dept. The management has assessed favourable outcome for all these years and refund will be received from the IT department for all the years.
- 58** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 59 Other Statutory Information**
- a) The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
 - b) The company is not declared a wilful defaulter by any bank or financial institution or any other lender.
 - c) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
 - d) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - e) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - f) There are no immovable properties not held in the name of the company.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

HCL Infosystems Limited

Pawan Kumar Danwar

Director

DIN - 06847503

Raghuram Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

Independent Auditor's Report

To the Members of HCL Infosystems Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

We draw attention to note 45 to the consolidated financial statements, which states that the Group has continuously made losses for past several years and its net worth is fully eroded. Further, the Group's current liabilities exceed its current assets as at 31 March 2024 by ₹ 51,748.49 lakhs (31 March 2023: ₹ 47,039.65 lakhs). These conditions, along with other matters set forth in note 46, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern i.e. whether the Group will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in Note 45 including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Group will be able to operate as a going concern in the near future.

Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

Independent Auditor's Report

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

Independent Auditor's Report

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (after consolidation adjustments) of ₹ 0.58 lakh as at 31 March 24, total revenues (after consolidation adjustments) of ₹ Nil and net cash outflows (after consolidation adjustments) amounting to ₹ 0.37 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

- b. The financial statements of 2 subsidiaries, whose financial statements reflects total assets (after consolidation adjustments) of ₹ 601.99 lakhs as at 31 March 2024, total revenues (after consolidation adjustments) of ₹ Nil and net cash outflows (after consolidation adjustments) amounting to ₹ 28.38 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Independent Auditor's Report

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. The going concern matter described in the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
 - f. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report(s) of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
 - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts. Refer Note 20 to the consolidated financial statements in respect of such items as it relates to the Group. The Group does not have any derivative contracts during the year ended 31 March 2024.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
 - d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 44 to the consolidated financial statements, no funds have been advanced or loaned or

Independent Auditor's Report

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 44 to the consolidated financial statements, no funds have been received by the Holding Company and subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, and that performed by the respective auditors of subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and one of its subsidiary companies incorporated in India have used an accounting software for maintaining general ledger, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in the absence of an independent auditor's report in relation to controls at a service organisation for the said software, we are unable to comment whether audit trail feature for the said software was enabled at database level. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies is in accordance with the provisions of Section 197 of the Act. The Remuneration paid to any of director by the holding company and its subsidiary companies, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Girish Arora
Partner

Place : New Delhi
Date : 22 May 2024

Membership No.: 098652
ICAI UDIN:24098652BKAGIK5136

Annexure A To Independent Auditor's Report

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of HCL Infosystems Limited for the year ended 31 March 2024

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

3(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	HCL Infosystems Limited	L72200DL1986PLC023955	Holding Company	3(xix)
2	HCL Infotech Limited	U72200DL2012PLC242944	Wholly owned subsidiary	3(xix).

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

Girish Arora
Partner
Membership No.: 098652
ICAI UDIN:24098652BKAGIK5136

Place : New Delhi
Date : 22 May 2024

Annexure B To Independent Auditor's Report

Annexure B to the Independent Auditor's Report on the consolidated financial statements of HCL Infosystems Limited for the year ended 31 March 2024

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated 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 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

Annexure B To Independent Auditor's Report

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's Registration No.:116231W/W-100024

Girish Arora

Partner

Membership No.: 098652

ICAI UDIN:24098652BKAGIK5136

Place : New Delhi
Date : 22 May 2024

Consolidated Balance Sheet as at March 31, 2024

	Notes	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3(a)	224.80	252.56
Other intangible assets	3(b)	26.43	34.00
Financial Assets			
(i) Other financial assets	5	6,293.39	1,797.48
Deferred tax assets (net)	6 (a)	-	-
Other tax assets (net)	6 (b)	5,171.14	6,053.63
Other non-current assets	7	13,319.29	13,720.84
		25,035.05	21,858.51
(2) Current assets			
Inventories	8	37.08	39.06
Financial assets			
(i) Investments	4	2,642.63	4,424.60
(ii) Trade receivables	9		
(a) Billed		1,796.83	2,540.65
(b) Unbilled		51.94	-
(iii) Cash and cash equivalents	10	1,407.34	1,974.54
(iv) Bank balances other than (iii) above	11	11,788.48	16,098.31
(v) Other financial assets	12	6.39	439.12
Other current assets	13	2,794.50	2,902.61
Assets held for sale	43	10.00	313.00
		20,535.19	28,731.89
Total Assets		45,570.24	50,590.40
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity attributable to the owners of HCL Infosystems Limited			
Equity share capital	14 (a)	6,584.21	6,584.21
Other equity	14 (b)	(33,516.16)	(31,933.71)
		(26,931.95)	(25,349.50)
(2) Liabilities			
Non-current liabilities			
Non-current provisions	15	218.51	168.36
Deferred tax liabilities (net)	36	-	-
		218.51	168.36
Current liabilities			
Financial liabilities			
(i) Borrowings	16	35,500.00	35,500.84
(ii) Trade payables	17	33.66	16.66
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,856.03	5,529.24
(iii) Other financial liabilities	18	564.34	761.19
Other current liabilities	19	26,560.97	29,080.51
Provisions	20	3,768.68	4,883.11
Current tax liabilities (net)	21	-	-
		72,283.68	75,771.54
Total Equity and Liabilities		45,570.24	50,590.40
Summary of material accounting policies	2		

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

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

Pawan Kumar Danwar

Director

DIN - 06847503

Raghav Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

	Notes	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
Continuing Operations			
Income :			
Revenue from operations	22	3,217.34	3,140.98
Other income	23	2,981.95	2,338.89
Total Income		6,199.29	5,479.87
Expenses:			
Direct expenses	24	1,302.96	1,855.27
Changes in inventories of stock-in-trade	25	1.50	11.79
Employee benefits expense	26	2,003.42	2,039.04
Finance costs	27	37.35	192.70
Depreciation and amortization expense	3	53.92	58.02
Other expenses	28	5,578.10	6,581.36
Total expenses		8,977.25	10,738.18
Loss before exceptional items and tax from continuing operations		(2,777.96)	(5,258.31)
Exceptional items	29	1,196.36	1,383.90
Loss from continuing operations before tax		(1,581.60)	(3,874.41)
Income tax expense:			
- Current tax	36	5.76	5.00
- Deferred tax	36	-	5.00
Loss for the year from continuing operations		(1,587.36)	(3,879.41)
Other comprehensive income (OCI)			
(i) Items that will not be subsequently reclassified to profit or loss			
- Remeasurement of defined benefit liability/(assets)	39	(4.43)	(2.13)
- Income tax relating to above item		-	(2.13)
(ii) Items that will be subsequently reclassified to profit or loss			
- Exchange differences on translating financial statements of foreign operation		9.34	42.00
- Income tax relating to above item		-	-
Other comprehensive income for the year, net of tax		4.91	39.87
Total comprehensive loss for the year		(1,582.45)	(3,839.54)
Loss for the year attributable to:			
- Owners of the HCL Infosystems Limited		(1,587.35)	(3,879.41)
- Non-controlling interests		(0.00)	(0.00)

Consolidated Statement of Profit and Loss for the year ended March 31, 2024 (Contd.)

Notes	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
Other comprehensive income for the year attributable to:		
- Owners of the HCL Infosystems Limited	4.91	39.87
- Non-controlling interests	-	-
Total comprehensive loss for the year attributable to:		
- Owners of the HCL Infosystems Limited	(1,582.45)	(3,839.54)
- Non-controlling interests	(0.00)	(0.00)
Earnings/(Loss) per equity share continuing operations (₹ Per share)	38	
(1) Basic	(0.48)	(1.18)
(2) Diluted	(0.48)	(1.18)
Summary of material accounting policies	2	

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

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

Pawan Kumar Danwar

Director

DIN - 06847503

Raghu Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

		₹/Lakhs
a. Equity Share Capital		
Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
6,584.21	-	6,584.21
Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
6,584.21	-	6,584.21

b. Other Equity

Particulars	Attributable to Owners of HCL Infosystems Limited				Non Controlling interests	Total
	Reserve and surplus			Other Comprehensive Income		
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.2022	1,19,437.10	21,576.56	3.72	(1,70,263.52)	1,152.97	(28,093.17)
Total Loss for the year	-	-	-	(3,879.41)	-	(3,879.41)
Other comprehensive income for the year	-	-	-	(2.13)	42.00	39.87
Balance as at 31.03.2023	1,19,437.10	21,576.56	3.72	(1,74,145.06)	1,194.97	(31,933.71)
Balance as at 01.04.2023	1,19,437.10	21,576.56	3.72	(1,74,145.06)	1,194.97	(31,933.71)
Total Loss for the year	-	-	-	(1,587.36)	-	(1,587.36)
Other comprehensive income for the year	-	-	-	(4.43)	9.34	4.91
Balance as at 31.03.2024	1,19,437.10	21,576.56	3.72	(1,75,736.85)	1,204.31	(33,515.16)

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 Group 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

Girish Arora
Partner
Membership Number - 098652

Pawan Kumar Danwar
Director
DIN - 06847503

Alok Sahu
Chief Financial Officer
Noida : May 22, 2024

Raghav Venkat Chivukula
Director
DIN - 00520704

Raj Kumar Sachdeva
Manager
Komal Bathla
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2024

		Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
1. Cash Flow from Operating Activities:			
Loss before tax from continuing operations		(1,581.60)	(3,874.41)
Adjustments for:			
Depreciation and amortisation expense	53.92	58.00	
Finance cost	37.34	192.70	
Interest income on Fixed deposits	(1,291.48)	(476.27)	
Interest on income tax refund	(69.94)	-	
Gain on investment carried at FVTPL	(43.25)	(80.34)	
Net profit on sale of property, plant and equipment	(1,196.53)	(1,386.00)	
Property, plant and equipment written-off	-	17.76	
Profit on disposal of unquoted investments	(190.89)	(308.68)	
(Gain)/loss on foreign exchange fluctuation	20.37	(157.55)	
Provision for doubtful debts	34.22	313.92	
Provision for doubtful loans and advances and other current assets	49.64	99.09	
Provisions/liabilities no longer required written back	(1,197.46)	(1,091.13)	
Net provisions for Input tax credit	384.82	(3,409.24)	1,311.91
Operating Loss before changes in operating assets and liabilities		(4,990.84)	(1,506.59)
Changes in operating assets and liabilities:			
Decrease/(Increase) in trade receivables	821.65	(1,894.08)	
Decrease in non current assets	424.74	350.97	
Decrease in current assets	115.30	1,898.85	
Decrease in inventories	1.98	11.94	
Increase in non current liabilities	50.15	13.36	
(Decrease)/increase in current liabilities	(987.55)	426.27	11,221.83
Cash generated/(used in) from operations		(4,564.57)	11,602.87
Net tax refund (including interest)		946.67	6,221.87
Net cash generated/(used in) from operating activities (A)		(3,617.90)	1,134.37
			7,356.24
2. Cash flow from investing activities:			
Payment for property, plant and equipment (including intangible assets)	(18.99)	(42.58)	
Proceeds from sale of properties, plant and equipment	0.61	3,369.10	
Proceeds from sale of current investments	17,815.32	34,762.39	
Purchase of current investments	(15,799.21)	(29,099.55)	
Maturity/(creation) of bank deposits (net)	(329.65)	(11,227.02)	
Movement in margin money account	118.38	241.23	
Interest received	1,291.48	476.27	
Net cash generated/(used in) from investing activities (B)		3,077.94	(1,520.16)
		3,077.94	(1,520.16)

Consolidated Cash Flow Statement

for the year ended March 31, 2024 (Contd.)

	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
3. Cash flow from financing activities:		
Proceeds from loans and borrowings	35,500.00	35,500.00
Repayment of loans and borrowings	(35,500.00)	(41,403.80)
Interest paid	(37.34)	(284.70)
Net cash outflow from financing activities (C)	(37.34)	(6,188.50)
Net Decrease in cash and cash equivalents (A+B+C)	(577.30)	(6,188.50)
Opening balance of cash and cash equivalents	1,974.54	2,188.00
Effect of foreign exchange on cash and cash equivalents	10.10	138.96
Closing balance of cash and cash equivalents	1,407.34	1,974.54
Cash and cash equivalents comprise of		
Cash in hand	0.21	6.06
Balances with banks on current accounts (refer note 10)	1,407.13	1,757.56
Balances with banks on deposits accounts (refer note 10)	-	210.92

Notes:

- 1 Reconciliation of liabilities arising from financing activities:

Borrowings	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
Opening Balance	35,500.00	41,403.80
Cash flows (net)	-	(5,903.80)
Non cash changes	-	-
Closing Balance	35,500.00	35,500.00

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

Summary of material accounting policies (refer note 2)

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

For and on behalf of the Board of Directors of

HCL Infosystems Limited

Girish Arora

Partner

Membership Number - 098652

Pawan Kumar Danwar

Director

DIN - 06847503

Raghu Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

Notes to the Consolidated Financial Statements

1. Corporate information

These consolidated financial statements comprise financial statements of HCL Infosystems Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31.03.2024. The Company is domiciled and incorporated in India and publicly traded on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE') in India. The registered office of the Company is situated at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

The Group's business is primarily diversified into three segments viz. Distribution, Hardware Products and Solutions and Learning, engaged into annual maintenance contracts related to Enterprise Distribution Customers, system integration business, and selling digitised educational content & learning solutions.

The consolidated financial statements have been approved by the Board of Directors and authorised for issue on 22.05.2024.

2. Significant accounting policies

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

2.1 Basis of preparation and measurement

(i) Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

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

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

(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 financial assets and liabilities which have been measured at fair value except for the following items:

- a. Certain financial assets and liabilities (including derivative instruments) measured at fair value where Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments).
- b. Defined benefit assets / (liability) measured at fair value of plan assets (if any) less the present value of defined benefit obligation.
- c. Optionally Convertible Debentures measured at fair value

(iii) Current /non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date on which the control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

2.3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

IndAS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.4 Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, disclosure of contingent liabilities and contingent assets at the date of these consolidated financial statements and the results of operations during the reporting period.

The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively.

2.5 Critical accounting estimates, assumptions and judgements

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

a) Income taxes

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews, at each balance sheet date, the carrying amount of deferred tax assets and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Group has significant business losses which are available to be set-off against the future taxable income, at each reporting date, the management evaluates whether it is reasonably certain to recognise deferred tax assets on such business losses, considering the future outlook of business. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements. (refer note 36)

b) Contingencies

Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy. (refer note 30)

c) Allowance for uncollected accounts receivable, unbilled revenue, contract assets and advances

Notes to the Consolidated Financial Statements

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. (refer note 33(ia))

d) Liquidated damages

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

e) Impairment of investments

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

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

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

Estimation of fair value of Optionally Convertible Debentures issued by a wholly owned subsidiary is estimated basis the future collection of assigned assets.

f) Impairment assessment

Goodwill is tested for impairment at least annually and whenever events or changes in circumstances indicate that the recoverable amount of Cash Generating Unit ('CGU') or group of CGUs, to which goodwill is allocated, is less than the carrying value. Impairment test for goodwill is performed at the level of each CGU or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. The management applies its judgement to identify the CGUs, which are expected to derive synergies together, and allocates goodwill to such group of CGUs.

Other intangibles and property, plant and equipment (PPE) are tested for impairment, whenever events or changes in circumstances indicate that the recoverable amount of Cash Generating Unit ('CGU'), to which such intangibles or PPE are allocated, is less than the carrying value.

The recoverable amount of a CGU is the greater of its fair value less costs to sell and value in use. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and gross profit, growth rates and EBIT margin to calculate projected future cash flows, discount rate and long term growth rate.

g) Revenue recognition

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed

Notes to the Consolidated Financial Statements

at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. In case of multiple performance obligations the Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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

2.6 Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, if any, in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control.

This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

iii. Joint arrangements

Under Ind AS in joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss and the Group's share of other comprehensive income of the investee in

Notes to the Consolidated Financial Statements

other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

v. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

These consolidated financial statements comprise the financial statement of HCL Infosystems Limited (the Company) and its subsidiaries, as given in the following table:

Name of the Subsidiary/ JV	Country of Incorporation	Extent of Holding (%)	
		31.03.2024	31.03.2023
Subsidiary			
Pimpri Chinchwad eServices Limited	India	85	85
HCL Infotech Limited	India	100	100
Step-down Subsidiary of HCL Infotech Limited			
HCL Investments Pte. Limited.	Singapore	100	100
Step-down Subsidiary of HCL Investments Pte Limited			
Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE)	Dubai	100	100

2.7 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment (including capital-work-in progress) are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

Notes to the Consolidated Financial Statements

Cost of any item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Asset	Management's estimate of useful life	Useful Life as per Schedule II
Building	60 Years	60 Years
Plant and Machinery	5 Years	15 Years
Furniture and Fixtures	3-5 Years	10 Years
Vehicles	5 Years	6 Years
Computers	3 Years	3- 6 Years

- (i) Depreciation on fixed assets of the foreign subsidiaries:

Building	20 Years
Computers	3-4 Years
Furniture and Fixtures	4-6 Years
Office Equipment	6 Years

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets, including those acquired by the Group in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss. Goodwill is not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Intangible assets (other than Goodwill) are amortised at straight line basis as follows:

Intellectual Property Rights	7 years
Software	1-5 years

Notes to the Consolidated Financial Statements

Goodwill

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the statement of profit or loss on disposal.

2.9 Leases

As a lessee

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

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

As a lessor

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

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

2.10 Financial Instruments

A. Financial instruments – Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

B. Financial assets

1. Subsequent measurement

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

Debt instrument

a. Financial assets at fair value through profit or loss

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

Notes to the Consolidated Financial Statements

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.

C. Financial liabilities

1. Subsequent measurement

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

Financial liabilities measured at amortised cost

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

2. Derecognition

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

D. Offsetting financial instruments

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

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

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

F. Impairment of financial assets

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

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

Notes to the Consolidated Financial Statements

G. Fair value measurement

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

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

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

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

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

2.11 Income tax

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

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.
- Temporary difference related to investment in subsidiaries and associates and joint arrangement to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of a history of recent losses, the Group recognises 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 are realised or the liability is settled based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

Notes to the Consolidated Financial Statements

2.12 Inventories

Raw materials, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Stores and Spares are valued at lower of cost and net realisable value/future economic benefit expected to arise when consumed during rendering of services.

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

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

2.13 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 is subject to an insignificant risk of changes in value.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test for goodwill is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

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

2.15 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 consolidated balance sheet.

Notes to the Consolidated Financial Statements

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

2.17 Borrowings

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

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

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

2.18 Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Board of Directors of the Company has authorised its Manager to assess the financial performance and position of the Group and makes decisions in normal course of business operations. For key strategic decisions, the Board of Directors take decisions after evaluating the possible options and recommendations given by the management. The Board of Directors together with Manager has been identified as being the chief operating decision maker. Refer note 35 for segment information presented.

2.20 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group's operations are primarily in India, except operations in subsidiaries incorporated outside India. The consolidated financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

(ii) Transactions and balances

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

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

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

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income items that will be subsequently reclassified to profit and loss account.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Revenue recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Notes to the Consolidated Financial Statements

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

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

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time are recognized based on progress towards completion of the performance obligation using percentage-of-completion (POC) method of accounting. Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified.

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

The Company recognizes an onerous contract provision when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in cost of revenues.

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

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discount estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.22 Employee benefits

Defined benefit plans

Gratuity

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

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

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

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

Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the year in which they occur.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Notes to the Consolidated Financial Statements

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.

2.23 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.

2.24 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:

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

(ii) Diluted earnings per share

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

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

2.25 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 understanding of the Group's underlying performance.

2.26 Changes in material accounting policies

Material accounting policy information The Group adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Notes to the Consolidated Financial Statements

3(a) Property, Plant & Equipment

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	₹/Lakhs
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024		As at 31.03.2024
Freehold Land	5.66	-	-	5.66	-	-	-	-	-	5.66
Buildings	195.36	-	-	195.36	9.98	8.20	-	-	18.18	177.18
Plant and Machinery	22.29	-	-	22.29	22.29	-	-	-	22.29	-
Furniture and Fixtures	51.36	-	-	51.36	50.30	0.99	-	-	51.29	0.07
Vehicles	41.01	-	-	41.01	41.01	-	-	-	41.01	-
Computers	221.46	18.99	16.85	223.60	160.99	37.16	16.44	181.71	-	41.89
Total	537.14	18.99	16.85	539.28	284.57	46.35	16.44	314.48	224.80	

Property, Plant & Equipment

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	₹/Lakhs
	As at 01.04.2022	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2023	As at 01.04.2022	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2023		As at 31.03.2023
Freehold Land	5.66	-	-	5.66	-	-	-	-	-	5.66
Buildings	326.33	-	130.97	195.36	4.90	7.08	2.00	9.98	-	185.38
Plant and Machinery	22.29	-	-	22.29	22.29	-	-	22.29	-	-
Furniture and Fixtures	51.85	-	0.49	51.36	46.99	3.31	-	50.30	1.06	-
Vehicles	41.01	-	-	41.01	41.01	-	-	41.01	-	-
Computers	210.73	15.50	4.77	221.46	126.59	39.90	5.50	160.99	-	60.47
Total	657.87	15.50	136.23	537.14	241.78	50.29	7.50	284.57	252.56	

3(b) Other Intangible Assets

Particulars	Gross Carrying Amount				Accumulated amortisation/impairment				Net Carrying Amount	₹/Lakhs
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024		As at 31.03.2024
Intangible Assets:										
Software	198.84	-	-	198.84	164.84	7.57	-	172.41	-	26.43
Intellectual Property Rights	23.00	-	-	23.00	23.00	-	-	23.00	-	-
Technical Knowhow	146.00	-	-	146.00	146.00	-	-	146.00	-	-
Total	367.84	-	-	367.84	333.84	7.57	-	341.41	-	26.43

Other Intangible Assets

Particulars	Gross Carrying Amount				Accumulated amortisation/impairment				Net Carrying Amount	₹/Lakhs
	As at 01.04.2022	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2023	As at 01.04.2022	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2023		As at 31.03.2023
Intangible Assets:										
Software	161.06	37.78	-	198.84	157.11	7.73	-	164.84	-	34.00
Intellectual Property Rights	23.00	-	-	23.00	23.00	-	-	23.00	-	-
Technical Knowhow	146.00	-	-	146.00	146.00	-	-	146.00	-	-
Total	330.06	37.78	-	367.84	326.11	7.73	-	333.84	-	34.00

Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2024		As at 31.03.2023	
	Units	Amount ₹/Lakhs	Units	Amount ₹/Lakhs
4 Current investments				
Unquoted (Others)				
Investment in mutual funds at FVTPL				
Growth options				
UTI Liquid Cash Plan - [NAV - ₹ Nil (2023- ₹ 3663.51)]	-	-	3,227	118.22
Aditya Birla Sun Life Savings Fund - [NAV - ₹ Nil (2023- ₹ 464.16)]	-	-	1,30,927	607.71
HDFC Ultra Short Term Fund - [NAV - ₹ 13.85 (2023- ₹ 12.92)]	66,05,783	914.71	70,19,054	907.00
ICICI Pru Ultra Short Term Fund - Growth- [NAV - ₹ 25.31 (2023- ₹ 23.61)]	68,26,595	1,727.92	56,24,414	1,328.06
SBI Magnum Ultra Short Duration Fund- [NAV - ₹ Nil (2023- ₹ 5094.61)]	-	-	28,729	1,463.61
Total Current Investments		2,642.63		4,424.60
Aggregate amount of book value and market value of unquoted investment		2,642.63		4,424.60
5 Other financial assets - non-current				
Bank deposits with original maturity of more than 12 months #		5,493.57		-
Balance with bank- margin money*		151.01		1,123.48
Security deposits		-		25.19
Business consideration receivable (refer note 52)		648.81		648.81
TOTAL		6,293.39		1,797.48
# includes ₹ 5,492 lakhs (2023 - ₹ Nil) lien marked with Banks				
*Balances held as margin money towards obtaining Bank Guarantees.				
6(a) Deferred tax asset (net) (refer note 36)				
Deferred tax asset		-		-
		-		-
6(b) Other tax assets				
Advance income tax (net of provisions) [Provision for income tax of ₹ 4,833 lakhs (2023- ₹ 4,833 lakhs)]		5,171.14		6,053.63
TOTAL		5,171.14		6,053.63

Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2024		As at 31.03.2023	
	Amount ₹/Lakhs		Amount ₹/Lakhs	
7 Other non-current assets				
Unsecured, considered good		-		
Capital advances				1.00
Others				
Balances with government authorities		13,252.02		13,651.98
Prepaid expenses		0.20		0.79
Others		67.07		67.07
TOTAL		13,319.29		13,720.84
8 Inventories				
Stock-in-trade		37.08		39.06
[Including in-transit Nil (2023- Nil)]				
TOTAL		37.08		39.06
Write-downs of inventories to net realisable value recognised as an expense during the year amounts to ₹ 5 lakhs (2023- ₹ 5.44 lakhs). These were included in changes in value of inventories of work-in-progress, stock in trade and finished goods in statement of profit and loss.				
9 Trade receivables*				
a) Billed				
Unsecured, considered good	1,794.24		2,538.15	
Significant increase in credit risk	23.90		180.20	
Credit impaired	19,022.44		20,363.33	
Less: Allowance for doubtful debts	20,840.58		23,081.68	
b) Unbilled revenue	19,043.75	1,796.83	20,541.03	2,540.65
TOTAL		51.94		-
*refer note no 33 (ia) disclosure related to ageing of trade receivables and refer note no 31 for related party balances.		1,848.77		2,540.65
10 Cash and cash equivalents				
Balances with banks*				
- current account		1,407.13		1,757.56
Cash on hand		0.21		6.06
Bank deposits with original maturity of three months or less	31.45		242.37	
Less: Money held in Trust	31.45	-	31.45	210.92
TOTAL		1,407.34		1,974.54
* includes ₹ 164 lakhs (2023 - ₹ 164 lakhs) restricted Bank Balance lying with UBGB Bank.				
11 Other bank balances				
Bank deposits with original maturity of more than three months but less than 12 months*		10,262.10		15,426.02
Balance with banks				
- On margin account		1,526.38		672.29
TOTAL		11,788.48		16,098.31
* includes ₹ 124 lakhs (2023 - ₹ 5,262 lakhs) lien marked with Banks				

Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2024		As at 31.03.2023	
	Amount ₹/Lakhs		Amount ₹/Lakhs	
12 Other financial assets				
Considered good				
Security deposits		6.39		6.88
Other financial assets		-		432.24
Considered doubtful				
Others (includes lease rent recoverable, employee advances, insurance claim recoverable)	1,867.61		1,919.79	
Less: Allowance for doubtful loans, advances and recoverable	1,867.61	-	1,919.79	-
TOTAL		6.39		439.12
13 Other current assets				
Unsecured, considered good				
Balances with government authorities		172.78		189.37
Advances to creditors		111.02		25.31
Contract assets		1,613.17		2,156.69
Prepaid expenses		823.53		458.49
Others (employee related recoverable)		74.00		72.75
Considered doubtful				
Other current assets	18,336.12		18,942.32	
Less: Allowance for doubtful other current assets (includes ₹ 17,709 lakhs on contract assets (2023 - ₹ 18,341 lakhs))	18,336.12	-	18,942.32	-
Input tax credit	6,209.00		5,833.96	
Less: Allowance for input tax credit	6,209.00	-	5,833.96	-
TOTAL		2,794.50		2,902.61
14 Equity share capital and other equity				
(a) Authorised*				
85,30,00,000 Equity Shares (2023 - 85,30,00,000) of ₹ 2/- each		17,060.00		17,060.00
5,00,000 Preference Shares (2023 - 5,00,000) of ₹ 100/- each		500.00		500.00
TOTAL		17,560.00		17,560.00
Equity Share capital				
Issued, Subscribed and Paid up				
32,92,09,928 Equity Shares, fully paid (2023 - 32,92,09,928) of ₹ 2/- each		6,584.20		6,584.20
Add: Shares Forfeited - 1,000 shares of ₹ 1/- each (2023 - 1,000 shares of ₹ 1/- each)		0.01		0.01
TOTAL		6,584.21		6,584.21

*Pursuant to the approved Scheme of Arrangement of merger by the Hon'ble National Company Law Tribunal (NCLT) of New Delhi providing for the merger of two direct wholly-owned subsidiaries viz. Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning) (the "Transferor companies") with and into HCL Infosystems Limited (the "Transferee company") with effect from April 01, 2022, the appointed date, the authorised share capital of transferee company has automatically stand enhanced by authorised share capital of transferor companies (HCL Infosystems Limited) as on effective date.

Notes to the Consolidated Financial Statements

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(ii)	Shareholders holding more than 5% of the aggregate shares in the Company	As at 31.03.2024		As at 31.03.2023	
		Number of Shares	% of shares	Number of Shares	% of shares
	(a) HCL Corporation Private Limited	16,44,21,399	49.94	16,44,21,399	49.94
	(b) VAMA Sundari Investments(Delhi) Private Limited	4,26,03,194	12.94	4,26,03,194	12.94

(iii)	Promoters shareholding in the Company	As at 31.03.2024		% change during the year	As at 31.03.2023	
		Number of Shares	% of shares		Number of Shares	% of shares
	(a) HCL Corporation Private Limited	16,44,21,399	49.94	-	16,44,21,399	49.94
	(b) VAMA Sundari Investments (Delhi) Private Limited	4,26,03,194	12.94	-	4,26,03,194	12.94
	(c) Mr. Shiv Nadar	3,055	0.00	-	3,055	0.00
	(d) Mrs. Roshni Nadar Malhotra	2,893	0.00	-	2,893	0.00
	(e) Mrs. Kiran Nadar	620	0.00	-	620	0.00

(b) Other equity

Particulars	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
Reserve and surplus		
Securities premium reserve		
Opening balance	1,19,437.10	1,19,437.10
Closing balance	1,19,437.10	1,19,437.10
General reserve		
Opening balance	21,575.56	21,575.56
Closing balance	21,575.56	21,575.56
Capital reserve		
Opening balance	3.72	3.72
Closing balance	3.72	3.72
Retained earnings		
Opening balance	(1,74,145.06)	(1,70,263.52)
Remeasurement of post-employment benefit obligation, net of tax	(4.43)	(2.13)
Net Profit/ (loss) for the year	(1,587.36)	(3,879.41)
Closing balance	(1,75,736.85)	(1,74,145.06)
Foreign currency translation of foreign operations		
Opening balance	1,194.97	1,152.97
Exchange difference on translation of foreign operations	9.34	42.00
Closing balance	1,204.31	1,194.97
Total Other Equity attributable to the owners of HCL Infosystems Limited	(33,516.16)	(31,933.71)

Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
15 Non-current provisions (refer note 39) Provision for gratuity and other employee benefits	218.51	168.36
TOTAL	218.51	168.36
16 Current borrowings		
Secured:		
Loans from Banks		
- Cash credits	-	0.84
	-	0.84
Unsecured:		
Loans		
From related parties	35,500.00	35,500.00
TOTAL	35,500.00	35,500.84
Note:		
1. Unsecured Intercorporate Loan from HCL Corporation Private Limited amounting to ₹ 35,500 lakhs (2023 - ₹ 35,500 lakhs) is repayable in 11 months from the date of availment of each tranche, which is interest free.		
2. The company has obtained non fund-based facility based on security of current assets, submission of intimation for quarterly results with banks has been done as and when due except for quarter ended March 31, 2024 which is not yet due.		
17 Trade payables*		
(a) Total outstanding dues of micro enterprises and small enterprises; and	33.66	16.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,856.03	5,529.24
TOTAL	5,889.69	5,545.90
*refer note no 33 (iiA) disclosure related to ageing of trade payable and refer note no 31 for related party balances.		
18 Other financial liabilities		
Employee benefits payable	359.63	342.84
Capital creditors	5.88	19.35
Deposits	198.83	199.00
Advances received against proposed sale of HCL Infotech Limited (refer note 51)	-	200.00
TOTAL	564.34	761.19

Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2024 ₹/Lakhs	As at 31.03.2023 ₹/Lakhs
19 Other current liabilities		
Deferred revenue*	10,294.53	10,443.83
Advances received from customers*	3,050.96	4,230.76
Amount collected under litigation (refer note 31 and 50)	12,341.73	12,020.63
Statutory dues payable	873.75	889.29
Advances received against assets held for sale (refer note 43)	-	1,496.00
TOTAL	26,560.97	29,080.51
*Contract liability comprises deferred revenue and advance received from customer which represents amount billed and collected from customers in respect of ongoing projects and projects under litigation. Contract liability in respect of project under litigation will be recognized as revenue upon final resolution of litigation. Contract liability in respect of ongoing projects are recognized over a period of time as and when the services are rendered. The amount of ₹ 1,669 lakhs included in contract liabilities at 31 March 2023 has been recognised as revenue during the year ended 31 March 2024 (31 March 2023: ₹ 1,736 lakhs).		
20 Current provisions		
Provision for gratuity and other employee benefits (refer note 39)	174.95	164.52
Provision for contract losses*	1,599.75	2,529.19
Provision for litigations {refer note 30 (c)}	1,993.98	2,189.40
TOTAL	3,768.68	4,883.11
*Provision for contract Losses		
Balance as at the beginning of the year		
Provision made during the year	2,529.19	2,527.06
Provision utilised/reversed during the year	1,217.80	839.03
Balance as at the end of the year	2,147.24	836.90
21 Current tax liabilities (net)		
Current income tax liabilities	-	-
TOTAL	-	-

Particulars	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
22 Revenue from operations		
Rendering of services	1,616.44	1,538.86
Revenue from composite contracts	1,600.90	1,602.12
TOTAL	3,217.34	3,140.98
Revenue by time		
Revenue recognised at a point in time	706.30	223.06
Revenue recognised over a period of time	2,511.04	2,917.92
TOTAL	3,217.34	3,140.98

Notes to the Consolidated Financial Statements

Particulars	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
23 Other income		
Interest Income from financial asset at amortised cost		
- On fixed deposits	1,291.48	476.27
- On others	85.97	47.23
Net gains on fair value changes on investments	43.25	80.34
Gain on sale of investment carried at fair value through profit or loss	190.89	308.68
Net profit on sale of property, plant and equipment	0.18	1.65
Gain on foreign exchange fluctuation	15.64	98.58
Provisions/liabilities no longer required written back	1,197.46	1,091.13
Miscellaneous income*	86.17	235.01
Scrap sale	0.97	-
Interest income on Income tax refund	69.94	-
TOTAL	2,981.95	2,338.89
*includes miscellaneous expense recovery with respect to property monetisation of ₹ 67.05 lakhs (2023 - ₹ 76.39 lakhs)		
24 Direct expenses		
Direct service cost	1,302.96	1,813.25
Spares and stores consumed	-	12.42
Purchase of stock in trade	-	29.60
TOTAL	1,302.96	1,855.27
25 Changes in inventories of stock-in-trade		
Closing balance		
- Stock-in-trade	37.08	39.06
Opening balance	37.08	39.06
- Stock-in-trade	38.58	50.85
Changes in inventories of stock-in-trade	38.58	50.85
	1.50	11.79
26 Employee benefits expense		
Salaries, wages and bonus (refer note 39)	1,928.76	1,961.89
Contribution to provident and other funds (refer note 39)	55.73	56.15
Staff welfare expenses	18.93	21.00
TOTAL	2,003.42	2,039.04
27 Finance costs		
Interest on unsecured borrowings	0.02	140.80
Other costs (processing and other fees)	37.33	51.90
TOTAL	37.35	192.70

Notes to the Consolidated Financial Statements

Particulars	Year ended 31.03.2024 ₹/Lakhs	Year ended 31.03.2023 ₹/Lakhs
28 Other expenses		
Rent (refer note 37)	67.97	73.22
Rates and taxes	330.97	272.03
Communication	35.53	35.32
Travelling and conveyance	85.19	103.04
Legal, professional and consultancy charges (refer note 41)	2,998.02	2,508.79
Retainership expenses	680.32	715.35
Office electricity and water	34.64	54.93
Insurance	55.62	51.63
Technology cost	266.92	339.64
Outsourcing cost	130.83	113.53
Bank charges	118.97	208.42
Allowance for doubtful debts	34.22	313.92
Provision for doubtful other current assets	49.64	99.09
Net provisions for Input tax credit	384.82	1,311.91
Repairs		
- Buildings	0.42	1.48
- Others	24.76	75.48
Net loss on foreign exchange fluctuation	36.00	79.99
Miscellaneous#	243.26	223.59
TOTAL	5,578.10	6,581.36
#includes one time settlement of ₹ 100 lakhs (2023 - ₹ Nil) and director sitting fees of ₹ 42.75 lakhs (2023 - ₹ 44.25 lakhs)		

29 Exceptional items:	₹/Lakhs	
Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Profit on sale of properties (refer note 43)	1,196.36	1,383.90
Total	1,196.36	1,383.90

30 Contingent Liabilities :

(a) Claims against the Company not acknowledged as debts:

Particulars	As at 31.03.2024	As at 31.03.2023
Sales tax*	9258.92	11095.73
Excise, Service Tax and Customs*	45982.10	45982.10
Income tax	4,259.36	3483.91
Industrial disputes, civil suits and consumer disputes	474.50	503.53

* The Group has deposited ₹ 12,916 lakhs (2023 - ₹ 13,330 lakhs) under protest against these claims.

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been initiated by the Group or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to the Consolidated Financial Statements

(b) **Other Litigations :**

- The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business. Some of these matters include speculative and frivolous claims. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2024.
- (c) The Group has certain sales tax, other indirect tax and civil matters against which provision of ₹ 1,993.98 lakhs (2023- ₹ 2,184.10 lakhs) have been made. Provision of ₹ 200.06 lakhs (2023- ₹ 174 lakhs) has been made during the year and ₹ 386.89 lakhs (2023- ₹ 52 lakhs) utilised during the year.

31 Disclosure of related parties and related party transactions:

a) **Company having substantial interest:**

HCL Corporation Private Limited

b) **Others (Enterprises over which, individual having indirect significant influence over the Group, has significant influence) and with whom transactions have taken place during the year and/or where balances exist:**

HCL Technologies Limited

SSN Trust

SSN Investments (Pondi) Private Limited

VAMA Sundari Investments (Delhi) Private Limited

c) **Key Management Personnel:**

Mr. Alok Sahu - Chief Financial Officer

Mr. Raj Kumar Sachdeva- Manager

Ms. Komal Bathla- Company Secretary

d) **Independent & Non-Executive Director:**

Dr. Nikhil Sinha, Chairman

Ms. Sangeeta Talwar (Retired w.e.f closing hours of 31st March 2024)

Mr. Kaushik Dutta (Retired w.e.f closing hours of 31st March 2024)

Ms. Ritu Arora

Mr. Kirti Kumar Dawar (appointed w.e.f. 10th August 2023)

Mr. Raghu Venkat Chivukula (appointed w.e.f. 10th August 2023)

e) **Non- Independent & Non-Executive Director:**

Mr. Pawan Kumar Danwar

Mr. Neelesh Agarwal

Ms. Rita Gupta

Notes to the Consolidated Financial Statements

f) Summary of consolidated related party disclosures:

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

₹/Lakhs

	Company having substantial interest*		Others		Key Management Personnel		Total	
	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
A. Transactions								
Consultancy charges	-	-	92.14	154.80	-	-	92.14	154.80
- HCL Technologies Limited	-	-	92.14	154.80	-	-	92.14	154.80
Current borrowings taken	35,500.00	35,500.00	-	-	-	-	35,500.00	35,500.00
- HCL Corporation Private Limited	35,500.00	35,500.00	-	-	-	-	35,500.00	35,500.00
Current borrowings repaid	35,500.00	35,500.00	-	-	-	-	35,500.00	35,500.00
- HCL Corporation Limited	35,500.00	35,500.00	-	-	-	-	35,500.00	35,500.00
Rent Expense	0.24	0.22	25.80	25.78	-	-	26.04	26.00
- SSN Investments (Pondi) Private Limited	-	-	25.56	25.56	-	-	25.56	25.56
- HCL Corporation Private Limited	0.24	0.22	-	-	-	-	0.24	0.22
- VAMA Sundari Investments (Delhi) Private Limited	-	-	0.24	0.22	-	-	0.24	0.22
Remuneration	-	-	-	-	210.36	201.93	210.36	201.93
- Mr. Alok Sahu	-	-	-	-	109.36	106.18	109.36	106.18
- Ms. Komal Bathla	-	-	-	-	17.52	14.66	17.52	14.66
- Mr. Raj Sachdeva	-	-	-	-	83.48	81.09	83.48	81.09
Director Sitting fees	-	-	42.75	44.25	-	-	42.75	44.25
- Ms. Sangeeta Talwar	-	-	10.50	12.75	-	-	10.50	12.75
- Mr. Kaushik Dutta	-	-	8.25	10.50	-	-	8.25	10.50
- Ms. Ritu Arora	-	-	8.25	10.50	-	-	8.25	10.50
- Mr. Nikhil Sinha	-	-	9.75	10.50	-	-	9.75	10.50
- Mr. Raghu Venkat Chivukula	-	-	3.00	-	-	-	3.00	-
- Mr. Kirti Kumar Dawar	-	-	3.00	-	-	-	3.00	-
Reimbursements towards expenditure made	-	-	12.05	-	-	-	12.05	-
- SSN Investments (Pondi) Private Limited	-	-	12.05	-	-	-	12.05	-
B. Amount due to/from related parties at year end[^]								
Trade receivables	-	-	8.49	35.21	-	-	8.49	35.21
- HCL Technologies Limited	-	-	8.48	32.42	-	-	8.48	32.42
- Others	-	-	0.01	2.79	-	-	0.01	2.79
Other Recoverable	0.09	0.09	6.39	12.98	-	-	6.48	13.07
- HCL Corporation Private Limited	0.09	0.09	-	-	-	-	0.09	0.09
- HCL Technologies Limited	-	-	-	6.59	-	-	-	6.59
- SSN Investments (Pondi) Private Limited	-	-	6.39	6.39	-	-	6.39	6.39
Current borrowings from HCL Corporation Limited	35,500.00	35,500.00	-	-	-	-	35,500.00	35,500.00
Trade payables	3.15	3.15	142.69	35.82	-	-	145.84	38.97
- HCL Technologies Limited	-	-	142.69	35.82	-	-	142.69	35.82
- HCL Corporation Private Limited	3.15	3.15	-	-	-	-	3.15	3.15
Other payables	0.25	0.90	0.25	0.90	-	-	0.50	1.80
- HCL Corporation Private Limited	0.25	0.90	-	-	-	-	0.25	0.90
- VAMA Sundari Investments (Delhi) Private Limited	-	-	0.25	0.90	-	-	0.25	0.90

*Corporate guarantee utilised ₹ 14,148 lakhs (2023 - ₹ 15,191 lakhs), also refer note 45. This Corporate Guarantee includes utilisation on behalf of HCL Infotech Limited against Bank Guarantee issued by the Company to MTNL for ₹ 12,355 lakhs (2023- ₹ 12,355 lakhs).

[^]Amount due to / from related parties are unsecured and are receivable / payable in cash.

Notes to the Consolidated Financial Statements

g) Compensation of key management personnel of the Company

₹/Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Short-term employee benefits *	210.36	201.93
Total compensation paid to key management personnel	210.36	201.93

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

* short term employee benefits for the year ended March 31, 2024 include post employment benefits comprising gratuity and compensated absences.

32 Financial Instruments

The carrying value of financial instruments by categories are as under as at 31.03.2024:

₹/Lakhs

Particulars	Notes	Fair Value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets						
Non-current assets						
(i) Others Financial Assets	5	-	-	6,293.39	6,293.39	6,293.39
		-	-	(1,797.48)	(1,797.48)	(1,797.48)
		-	-	6,293.39	6,293.39	6,293.39
		-	-	(1,797.48)	(1,797.48)	(1,797.48)
Current assets						
(i) Investments	4	-	2,642.63	-	2,642.63	2,642.63
			(4,424.60)	-	(4,424.60)	(4,424.60)
(ii) Trade receivables	9	-	-	1,848.77	1,848.77	1,848.77
		-	-	(2,540.65)	(2,540.65)	(2,540.65)
(iii) Cash and cash equivalents	10	-	-	1,407.34	1,407.34	1,407.34
		-	-	(1,974.54)	(1,974.54)	(1,974.54)
(iv) Bank balances other than (iii) above	11	-	-	11,788.48	11,788.48	11,788.48
		-	-	(16,098.31)	(16,098.31)	(16,098.31)
(v) Others	12	-	-	6.39	6.39	6.39
		-	-	(439.12)	(439.12)	(439.12)
		-	2,642.63	15,050.98	17,693.61	17,693.61
		-	(4,424.60)	(21,052.62)	(25,477.22)	(25,477.22)
Current liabilities						
(i) Borrowings	16	-	-	35,500.00	35,500.00	35,500.00
		-	-	(35,500.84)	(35,500.84)	(35,500.84)
(ii) Trade payables	17	-	-	5,889.69	5,889.69	5,889.69
		-	-	(5,545.90)	(5,545.90)	(5,545.90)
(iii) Other financial liabilities	18	-	-	564.34	564.34	564.34
		-	-	(761.19)	(761.19)	(761.19)
		-	-	41,954.03	41,954.03	41,954.03
		-	-	(41,807.93)	(41,807.93)	(41,807.93)

Note: Previous year figures are given in brackets.

Notes to the Consolidated Financial Statements

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2024 and March 31, 2023 and the basis for that measurement is as below:

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs	₹/Lakhs
Assets					
Investments carried at fair value through profit and loss	2,642.63 (4,424.60)	2,642.63 (4,424.60)	-	-	-
Investments carried at fair value through other	-	-	-	-	-
Investments carried at fair value through other comprehensive income	-	-	-	-	-
Unrealized gain on derivative financial instruments	-	-	-	-	-
Liabilities					
Unrealized loss on derivative financial instruments	-	-	-	-	-
Contingent consideration	-	-	-	-	-
Others	-	-	-	-	-

Note: Previous year figures are given in brackets.

Valuation Methodologies

Investments: The Company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2. Investments in unquoted equity shares and limited liability partnerships are classified as fair value through profit and loss and are classified as Level 3. The re-measurement is calculated using unobservable inputs based on the Group's own assessment of third party valuations and respective company's financial performance.

33 Financial Risk Management

The Group activities expose it to market risk, liquidity risk and credit risk. The Group financial risk management is an integral part of how to plan and execute its business strategies.

In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures that can be hedged. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Investments in Fixed deposits and Mutual Funds, Trade receivables, Cash and cash equivalents, Bank balances, Loans, Other financial assets	Portfolio & Aging analysis and credit appraisal	Diversification of bank deposits and investments, pre defined investment criteria.
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, working capital facilities and liquid investments and financial support from promoter shareholder

Notes to the Consolidated Financial Statements

Risk	Exposure arising from	Measurement	Management
Market risk	Forex: Future commercial transactions, Recognized financial assets not denominated in Functional currency Mutual Funds: Changes in economic conditions, monetary policies, and geopolitical events.	Forex: Position of net foreign exchange risk, based on relative assets and liabilities Mutual Funds: Portfolio and performance analysis	Forex: Natural Hedge Mutual Funds: Portfolio analysis and diversification

The Company's risk management is carried out by the treasury under policies approved by the senior management and audit committee.

33 (i) Credit Risk

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable and unbilled revenues.

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments in debt securities. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Investment primarily includes investment in mutual funds.

The Group follows policy of managing credit risk through credit approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of accounts receivables.

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

Agewise breakup of trade receivables and contract assets are given below:

₹/Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Debtors billed but not due*	19,360.20	20,559.44
0-90 days past due	992.56	1,307.01
91-180 days past due	1.11	21.60
180-365 days past due	19.53	53.07
1-2 years past due	112.63	235.06
More than 2 years past due	19,676.86	21,402.87
	40,162.89	43,579.05

*Includes contract assets amounting to ₹ 19,322.31 lakhs (2023 - ₹ 20,497 lakhs), also refer note 13.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a trade receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

Notes to the Consolidated Financial Statements

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:

₹/Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Balance at the beginning	38,882.22	38,470.99
Provided during the year	23.90	437.88
Reversal during the year	(790.47)	(26.65)
Amounts written off	(1,362.77)	-
Balance at the end	36,752.88	38,882.22
Weighted average loss rate (Percentage)	91.51%	89.22%

33 (ia) Ageing Schedule in respect of trade receivables for the year ended March 31, 2024 and March 31, 2023

₹/Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables-considered good	37.90 (62.24)	969.76 (1,328.52)	19.53 (44.07)	- (73.77)	- -	73.68 -	1,100.87 (1,508.60)
(b) Undisputed trade receivables - which have significant increase in credit risk	-	23.90	-	-	-	-	23.90
(c) Undisputed trade receivables -credit impaired	-	-	-	112.63	126.36	11,897.05	12,136.04
(d) Disputed trade receivables - considered good	-	-	-	(35.35)	-	(13,441.58)	(13,476.93)
(e) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	693.38	693.38
(f) Disputed trade receivables - credit impaired	-	-	-	-	-	(1,029.56)	(1,029.56)
Total	37.90 (62.24)	993.66 (1,328.52)	19.53 (44.07)	112.63 (235.48)	126.36 -	19,550.50 (21,411.37)	20,840.58 (23,081.68)
Less:Allowance for doubtful debts							19,043.75 (20,541.03)
Unbilled Revenue including Contract Assets, net of provision (refer note 9 and 13)							1,796.83 (2,540.65)
Total							1,665.11 (2,156.69)
							3,461.94 (4,697.34)

Note: Previous year figures are given in brackets.

Notes to the Consolidated Financial Statements

33 (ii) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.(Also refer note 45)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at 31.03.2024.

Particulars	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years	₹/Lakhs
Non-derivatives						
Borrowings						
- From others	35,500.00	-	35,500.00	-	-	-
(35,500.00)			(35,500.00)			
- Cash credit	-	-	-	-	-	-
(0.84)		(0.84)				
Trade payables	5,889.69	-	5,889.69	-	-	-
(5,545.90)			(5,545.90)			
Other financial liabilities						
- Deposits	198.83	-	198.83	-	-	-
(199.00)			(199.00)			
-Capital creditors	5.88	-	5.88	-	-	-
(19.35)			(19.35)			
-Employee benefit payable	359.63	-	359.63	-	-	-
(342.84)			(342.84)			
-Others	-	-	-	-	-	-
(200.00)			(200.00)			
Total non-derivative liabilities*	41,954.03	-	41,954.03	-	-	-
(41,807.92)		(0.84)	(41,807.08)			

*Also refer note 45 for financial support provided by HCL Corporation Private Limited.

Note: Previous year figures are given in brackets.

33 (iiia) Ageing Schedule in respect of trade payable for the year ended March 31, 2024 and March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME*	49.48	-	-	-	-	49.48
(b) Others	(7.01)	(7.63)	(1.77)	(0.06)	(0.19)	(16.66)
(c) Disputed dues - MSME	74.81	237.29	213.86	330.47	1,795.87	2,652.30
(d) Disputed dues - Others	(56.64)	(123.32)	(460.36)	(52.24)	(1,782.18)	(2,474.74)
Total	124.29	237.29	213.86	331.84	2,747.10	3,654.38
Provision	(63.65)	(130.95)	(462.13)	(78.41)	(2,590.60)	(3,325.74)
Total						2,235.31
						(2,220.16)
						5,889.69
						(5,545.90)

Note: Previous year figures are given in brackets.

*MSME includes micro, small and medium enterprises.

Notes to the Consolidated Financial Statements

33 (iii) Market risk

(i) Mutual Fund risk

Market risk may arise due to changes in economic conditions, monetary policies, and geopolitical events. Group has investment in short term debt mutual funds.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's does not have any exposure to the risk of changes in market interest rates as there is no such borrowings.

(iii) Foreign currency risk

The Group's operations are primarily in India and in ₹ and therefore, is not exposed to significant foreign currency risk. The Group evaluates the exchange rate exposure arising from foreign currency transactions and follows established risk management policies which are approved by the senior management and the Finance Committee, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

33 (iii) (a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

Particulars	₹/Lakhs
USD	
Financial Assets	
Trade receivables	1,196.11 (1167.68)
Net exposure to foreign currency risk (assets)	1,196.11 (1167.68)
Financial Liabilities	
Trade Payables	1,116.43 (993.27)
Derivative liabilities	
Foreign exchange forward contracts	- -
Net exposure to foreign currency risk (liabilities)	1,116.43 (993.27)

Note: Previous year figures are given in brackets.

(b) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures relating to financial instruments to reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ Lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
USD sensitivity (assets)	5%	59.81	58.38	(59.81)	(58.38)
USD sensitivity (liabilities)	5%	(55.82)	(49.66)	55.82	49.66

Notes to the Consolidated Financial Statements

34 Capital Management

Risk management

The Group's objective when managing capital are to safeguard their ability to continue as going concern and to maintain an optimal capital structure to reduce the cost of capital.

The Capital structure as of 31.03.2024 and 31.03.2023 were as follows:

Particulars	₹/Lakhs
As at 31.03.2024	As at 31.03.2023
Total Debt	35,500.00
Equity	(26,931.95)
Capital and net debt	8,568.05
Gearing ratio	414.33%
	35,500.84 (25,349.50) 10,151.34 349.72%

35 Segment Reporting

The Company's chief operating decision maker, considering the products' portfolio and geographies of operations, has identified following as primary business segments :

- (i) Hardware Products and Solutions comprise of AMCs and supporting system integration projects.
- (ii) Learning business includes selling digitised educational content & learning solutions.
- (iii) Distribution segment consists of annual maintenance contracts (AMC) related to Enterprise Distribution Customers.

Consolidated segment wise performance for the year ended 31.03.2024

Primary segments	Hardware products and solutions	Distribution	Learning	Inter- segment elimination	Total
(i) Revenue					
External revenue	2,765.77 (2,574.36)	451.57 (566.62)	-	-	3,217.34 (3,140.98)
Inter-segment revenue	-	-	-	-	-
-	-	-	-	-	-
Total gross revenue	2,765.77 (2,574.36)	451.57 (566.62)	-	-	3,217.34 (3,140.98)
(ii) Results					
(ii) Results	(2,831.92) (-3,252.98)	96.27 (179.08)	22.08 (-7.10)	-	(2,713.57) (-3,081.00)
Other un-allocable expenditure net off un-allocable (income)					1,633.77
Operating profit					(2,891.76)
Add: Other income (excluding operational income)					(4,347.34)
Less: Finance charges					(-5,972.76)
Loss before exceptional and extraordinary items and tax					1,606.73
Exceptional items					(907.15)
Loss before tax					37.35
Less: Tax expense					(192.70)
Loss after tax					(2,777.96)
					(-5,258.31)
					1,196.36
					(1,383.90)
					(1,581.60)
					(-3,874.41)
					(5.76)
					(5.00)
					(1,587.36)
					(-3,879.41)

Notes to the Consolidated Financial Statements

Primary segments	Hardware products and solutions	Distribution	Learning	Inter- segment elimination	₹/Lakhs
(iii) Segment assets as at					
-March 31, 2024	23,469.84	10,484.03	79.02		34,032.89
-March 31, 2023	(24,895.09)	(10,546.06)	(90.78)		(35,531.93)
Unallocated corporate assets					
-March 31, 2024					11,537.35
-March 31, 2023					(15,058.47)
Total assets as at					
-March 31, 2024					45,570.24
-March 31, 2023					(50,590.40)
(iv) Segment liabilities as at					
-March 31, 2024	33,324.94	3,166.68	45.41		36,537.03
-March 31, 2023	(35,141.97)	(3,018.49)	(77.99)		(38,238.45)
Unallocated corporate liabilities as at					
-March 31, 2024					35,965.16
-March 31, 2023					(37,701.45)
Total liabilities as at					
-March 31, 2024					72,502.19
-March 31, 2023					(75,939.90)
(v) Capital expenditure (allocable)	-	-	-	-	-
Capital expenditure (unallocable)	-	-	-	-	18.99
	-	-	-	-	(26.00)
(vi) Depreciation	1.10	10.21	-	-	11.31
	(1.66)	(10.81)	-	-	(12.47)
Depreciation (unallocable)	-	-	-	-	42.60
	-	-	-	-	(45.55)
(vii) Other non cash expenses (allocable)	95.49	373.19	-	-	(468.68)
	(1,288.78)	(436.15)	-	-	(1,724.93)

Note: Previous year figures are given in brackets.

Segment disclosure presented above pertains to continuing operations.

There are customer transactions of ₹ 1,600.90 lakhs with a single external customer that amount to 10 percent or more of the group's revenue.

The Company is domiciled in India. The amounts of its revenue from external customers attributed the entity's country of domicile and to all foreign countries is shown in the table below:

Revenue from external customers (continuing operations)	Year ended 31.03.2024	Year ended 31.03.2023
India	3,217.34	3,140.98
Other countries	-	-
Total	3,217.34	3,140.98

Notes to the Consolidated Financial Statements

The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

	₹/Lakhs	
Non current assets	Year ended 31.03.2024	Year ended 31.03.2023
India	18,674.50	19,993.96
Other countries	67.07	67.07
Total non - current assets	18,741.57	20,061.03

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 Group conducts the business. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

- (b) Deferred Tax:

Unrecognized deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the company can use the benefits therefrom:

	₹/Lakhs	
Particulars	As at 31.03.2024	As at 31.03.2023
Deductible temporary differences	54,098.23	56,841.48
Unused tax losses	66,789.30	87,989.03
Total temporary differences and unused tax losses	1,20,887.53	1,44,830.51
Potential tax benefit @ 22.88% (FY'2023 -22.88%)	27,659.07	33,137.22
Unutilized tax credit	-	-
Total Potential tax benefit @ 22.88% (FY'2023 -22.88%)	27,659.07	33,137.22

(c) Income tax expense (Continuing operations)

This note provides an analysis of the Group's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

	₹/Lakhs	
Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Income tax expense		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	5.76	5.00
Total current tax expense	5.76	5.00
Deferred tax		
Decrease (increase) in MAT Credit	-	-
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense	5.76	5.00

Notes to the Consolidated Financial Statements

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

Particulars	31.03.2024	31.03.2023
Income tax expense		
Loss before tax from continuing operations	(1,581.60)	(3,874.41)
Tax using the company's domestic tax rates of 22.88% (2023 – 22.88%)	(361.87)	(886.46)
Tax effect of non deductible expense:	-	0.22
Impairment (reversal) of investment and inter corporate deposits	-	(661.64)
Temporaray differences on which no DTA recognised	(546.91)	792.42
Impact of Indexation on sale of capital assets	-	(158.98)
Long term capital (income)/loss for which no deferred tax recognised	(313.52)	199.61
Other items	-	32.89
Changes in estimates related to prior years	5.76	5.00
Tax losses on which no deferred tax was recognized	1,222.30	681.94
Income tax expense	5.76	5.00

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

Expiry year	As at 31.03.2024	As at 31.03.2023
31.03.2024	-	12,946.53
31.03.2025	4,430.96	5,585.31
31.03.2026	10,080.25	10,366.90
31.03.2027	11,959.65	14,362.00
31.03.2028	12,693.22	12,693.00
31.03.2029	12,352.95	12,519.14
31.03.2030	2,827.30	3,407.59
31.03.2031	-	3,154.00
31.03.2032	3,553.75	-
No limit	8,891.22	12,954.56
Total	66,789.30	87,989.03

Note: Excluding unused capital loss.

37 Leases:

Cancelable Operating Leases

As a Lessee

In terms of criteria specified in Ind AS 116 Leases, the company does not have any lease other than with short term period. Rent expenses in respect of short term leases amounting ₹ 67.97 lakhs (2023 - ₹ 73.22 lakhs) is expensed off on straight line basis over lease term as rent expenses (refer note 28).

38 Earnings/(Loss) per share (EPS)

Basic earnings per share is calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The profit/ (loss) considered in ascertaining the Group's EPS represent loss for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Notes to the Consolidated Financial Statements

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Loss after tax from continuing operations attributable to owners of the HCL Infosystems Limited (₹ /lakhs)	(1,587.36)	(3,879.41)
Loss after tax from continuing operations (₹ /lakhs)	(1,587.36)	(3,879.41)
Weighted average number of shares considered as outstanding in computation of Basic EPS	32,92,09,928	32,92,09,928
Weighted average number of shares outstanding in computation of Diluted EPS	32,92,09,928	32,92,09,928
Basic EPS (of ₹ 2/- each) (₹ Per share)		
From continuing operations	(0.48)	(1.18)
Diluted EPS per share (of ₹ 2/- each) (₹ Per share)		
From continuing operations	(0.48)	(1.18)

39 The Group has calculated the various benefits provided to employees as under:

(a) Defined Contribution

During the year, the Group has recognised the following amounts in the statement of profit and loss:

Particulars	₹/Lakhs	
	Year ended 31.03.2024	Year ended 31.03.2023
Employers contribution to superannuation fund*	2.30	2.46
Employers contribution to national pension scheme*	3.00	3.15
Employers contribution to employee state insurance*	0.06	0.23
Employers contribution to employee's pension scheme 1995*	21.61	23.01
Employers contribution to Provident Fund* (effective from August 1, 2022)	26.05	32.00

* Included in Contribution to Provident and Other Funds under Employee benefits expense (refer note 26).

(b) Defined Benefit

(i) Provident Fund

The employee provident fund trust "Hindustan Computers Limited Employees Provident Fund Trust" which was managed by the Company till 31st July 2022, has been migrated to Regional Provident Fund Commissioner (RPFC) with effect from 1st August 2022 and there was no shortfall in the fund balance on the date of transfer to RPFC. The Group's contribution to Recognised Provided Fund for the period 1 August 2022 to 31 March 2023 has been disclosed in note 39 (a) above.

(ii) Gratuity

In accordance with IND AS 19, an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Gratuity	
	Year ended 31.03.2024	Year ended 31.03.2023
Discount rate (per annum)	7.21%	7.28%
Rate of increase in compensation levels	7.00%	7.00%
Rate of return on plan assets	-	-
Expected statutory interest rate	-	-
Expected short fall in interest earnings	-	-
Expected average remaining working lives of employees (years)	9.94	10.04

As of 31.03.2024, every 0.5 percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately by ₹ 5.32 lakhs.

Notes to the Consolidated Financial Statements

As of 31.03.2024, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect our gratuity benefit obligation by approximately 5.26 lakhs.

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.

Particulars	₹/Lakhs	
	2024	2023
	Gratuity	
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	330.06	209.86
Current service cost	16.31	105.56
Interest cost	12.05	14.20
Total amount recognised in profit or loss	28.36	119.76
Actuarial (gain)/loss from change in demographic assumptions	3.83	23.60
Actuarial (gain)/loss from change in financial assumptions	0.45	(6.55)
Experience (Gain)/loss	0.15	(14.48)
Total amount recognised in other comprehensive income	4.43	2.57
Benefits paid	(17.66)	(2.13)
Present value of obligation at the end of the year	345.19	330.06

Particulars	₹/Lakhs	
	2024	2023
	Gratuity	
Cost recognised for the year:		
Current service cost	16.31	105.56
Interest cost	12.05	14.20
Actuarial (gain)/loss	4.43	2.57
Net cost recognised for the year*	32.79	122.33

* 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 26).

Notes to the Consolidated Financial Statements

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

Particulars	₹/Lakhs	
	31.03.2024	31.03.2023
	Gratuity	
Present value of the obligation as at the end of the year	345.19	330.06
Assets/(Liabilities) recognised in the Balance Sheet	(345.19)	(330.06)

40 Relationship with struck off Companies for the year ended March 31, 2024 and March 31, 2023 ₹/Lakhs

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Mirthway Marketing Network Limited	50 Shares held	0.00 (0.00)	Equity Shareholder
Kothari Intergroup Limited	5 Shares held	0.00 (0.00)	Equity Shareholder
Dream World Commodity Services Private limited	75 Shares held	0.00 (0.00)	Equity Shareholder
Blue Mountain Holdings Private Limited	425 Shares held	0.01 (0.01)	Equity Shareholder
Dreams Broking Private Limited	40 Shares held	0.00 (0.00)	Equity Shareholder
Pegasus Mercantile Private Limited	1000 Shares held	0.02 (0.02)	Equity Shareholder
Absolute Hr Solutions Private Limited	Trade receivable	- (0.04)	Customer
Evermind Infotech Private Limited	Trade receivable	- (0.96)	Customer
Arka Industrial Monitoring Systems	Trade Receivable	3.27 (3.27)	Customer
Hp Financial Services India Private Limited	Trade Receivable	3.28 (3.28)	Customer
Vs Infocom	Trade Receivable	0.37 (0.37)	Customer
Chiptek Systems Private Limited	Trade Receivable	3.33 (3.33)	Customer
Creative Academy Private Limited	Trade Receivable	0.65 (0.65)	Customer
Falcon Infosoft Private Limited	Trade Receivable	0.73 (0.73)	Customer
Ishita Technologies Private Limited	Trade Receivable	0.02 (0.02)	Customer

Note: Previous year figures are given in brackets.

Amount in '00' represents less than ₹ one thousand.

41 Remuneration to Auditor*: ₹/Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
For statutory audit including limited review	46.50	44.00
For tax audit	1.50	0.50
For group reporting and certifications	9.25	3.20
For reimbursement of expenses	5.73	4.88
Total	62.98	52.58

* Excluding GST as applicable.

Notes to the Consolidated Financial Statements

42 Status of Charges beyond statutory period (borrowings)

The following satisfaction is yet to registered with Registrar of Companies beyond statutory period for the year ended March 31, 2024.

Charge Id	Charge Holder Name	Date of Creation/ Modification	Brief description of charges	Location of registrar	Period of delay (in month)	Amount in ₹	Reason for delay
90060501	Indian Bank	27-11-2002	working capital loan from banks	Delhi	Refer note 1	10,70,00,000	Refer Note 1
90045479	State Bank Of Mysore	13-01-1989	working capital loan from banks	Delhi		50,00,000	
90045470	United Commercial Bank	22-12-1988	working capital loan from banks	Delhi		1,58,00,000	
90045466	State Bank Of Hyderabad	09-12-1988	working capital loan from banks	Delhi		26,00,000	
90045429	State Bank Of Patiala	07-09-1988	for purchase of plant and machinery	Delhi		75,00,000	
90161667	State Bank Of Mysore	15-07-1982	Not available in records	Delhi		2,00,000	

Note 1: The above charges are appearing on ROC website in respect of facilities availed by the Company in earlier years and closed long time back. Satisfaction of above with ROC requires no objection certificate from respective lenders which could not be obtained due to non availability of information considering that these are very old charges.

- 43 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 as a part of ongoing property monetisation plan, during the year ended, March 31, 2024, the Company has disposed one property situated in Chennai, having net carrying amount of ₹ 304 lakhs, for a consideration of ₹ 1,500 lakhs, resulting in overall gain of ₹ 1,196 lakhs. (₹ 1,384 lakhs for the year ended March 31, 2023).
- 44 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 45 For past several years, the Group has continuously made losses and its net worth has been fully eroded. Further the Group has incurred a net loss of ₹ 1,587.36 lakhs during the current year (March 31, 2023: net loss of ₹ 3,879.41 lakhs) and the Group's current liabilities exceeded its current assets by ₹ 51,748.49 lakhs (March 31, 2023 - ₹ 47,039.65 lakhs) as at March 31, 2024. The management of the Company has been pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 46), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support in the form of corporate guarantees to banks of ₹ 33,035 lakhs and interest free unsecured loans of ₹ 35,500 lakhs to HCL Infosystems Limited out of total authorized limit of ₹ 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 Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.
- 46 In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Group, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down.
- 47 Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion, the Group has credited in Statement of Profit

Notes to the Consolidated Financial Statements

and Loss with ₹ 1,197.46 lakhs, for the year ended March 31, 2024 (2023: ₹ 1,091.13 lakhs), on account of write back of certain credit balances including provisions and advances.

- 48** The Group is facing delays in receipts from the customers, primarily in the power sector, due to which the Group has charged ₹ 34.22 lakhs, in the Statement of Profit and Loss, for the year ended March 31, 2024 (2023: ₹ 313.92 lakhs) on account of provision for certain receivable balances.
- 49** HCL Infosystems Limited ('the Holding Company') was appointed as the Managed Service Provider ("MSP") by Unique Identification Authority of India ('UIDAI') vide the contract dated 6 August 2012 to implement and manage the Central Identities Data Repository (CIDR). The said contract originally ended on 6 August 2019 and then was unilaterally extended by the UIDAI. The Holding Company challenged this unilateral extension of the MSP contract by UIDAI before the Hon'ble Arbitral Tribunal. The Holding Company and UIDAI entered into consent terms dated 5 May 2020 (which also formed part of the consent order dated 7 May 2020 passed by the Hon'ble Arbitral Tribunal) and the Company agreed to perform services for UIDAI subject to the terms and conditions of the consent terms. As per the consent terms executed between UIDAI and the Holding Company, the Holding Company has completed performance of services as per the terms of the MSP Contract, without prejudice to its rights and contentions in the arbitration proceedings, till 6 April 2021 (including knowledge transfer period of 3 months) and the annual maintenance contract and software licenses for the period till 6 August 2021. The Hon'ble Arbitral Tribunal on 19 June 2020 passed the liability award wherein it held that the extension of the MSP contract by UIDAI is not valid, and also stipulates that the Company is entitled to receive the consideration for its services during the period covered by the consent terms, i.e. from May 2020 to August 2021, at the current market value. Accordingly, the company has recognised revenue basis the existing contract price in previous years. The Group claim for additional consideration basis the current market value of services is pending before arbitration as on date.
- 50** HCL Infosystems Limited was awarded the order for supply, installation and commissioning of communication infrastructure, on turnkey basis, for CWG (Commonwealth Games) and later the work of re-deployment of equipment in MTNL's network in Delhi and Mumbai was also included. Disputes arose between both the parties with regard to completion of the project and Arbitration proceedings were initiated by HCL Infosystems Limited to recover the pending amount. In August 2014, the Arbitral Tribunal passed an Award in favour of HCL Infosystems Limited, whereby allowing majority of its claim and dismissing all the counter-claims of MTNL. MTNL challenged the Award before the High Court of Delhi and the same was dismissed. MTNL filed an Appeal before the Division Bench of the High Court challenging the said dismissal, wherein during the March 2016, the MTNL was directed to deposit a total sum of ₹ 9,130 Lakhs (₹ 8,035 Lakhs principal and ₹ 1,095 Lakhs interest) with the Court in the form of a Fixed Deposit. This contract was part of Hardware Solutions business transferred to HCL Infotech Limited under Scheme of Arrangement in 2013. HCL Infotech Limited filed an application for release of the aforesaid Fixed Deposit (including accumulated interest accrued thereon till date of release of ₹ 4,307 Lakhs including TDS) of ₹ 12,342 Lakhs. Accordingly, the same has been released on adhoc basis vide order of the Hon'ble High Court of Delhi dated September 28, 2022 against a Bank Guarantee which is backed by Corporate Guarantee provided by HCL Corporation Limited on behalf of HCL Infotech Limited.

As part of issuance of Optionally Convertible Debentures (OCDs), HCL Infotech Limited has transferred its rights to receive cash flows from MTNL to the HCL Infosystems Limited and as per the terms of OCDs, cash collected shall be utilized to redeem OCDs. However, since MTNL's Appeal is sub-judice (pending disposal) before the Division Bench of the High Court, amount has not been utilized for redemption of OCDs and shown as amount collected under litigation as a part of current liabilities in the financial statement of HCL Infotech Limited.

- 51** 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 to Novezo Consulting Private Limited, 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. Limited, Singapore & its step down subsidiary through a share purchase agreement. However, despite rigorous and best efforts for closure of the deal, the Conditions Precedent were not fulfilled even after lapse of a considerable period from the date of execution of the Share Purchase Agreement. The objective and purpose of the transaction completely changed and given that the changed circumstances created a fundamentally different situation which the Parties never envisaged or agreed to in the first place, the Share Purchase Agreement got frustrated as the object and purpose of executing the Share Purchase Agreement cannot be met and has undergone a fundamental change beyond the contemplation of the parties. Accordingly, the company issued a letter intimating Novezo Consulting Private Limited that the Share Purchase Agreement has been frustrated on March 11, 2023. HCL Infotech Limited will continue to be operated in the ordinary course of business.

Notes to the Consolidated Financial Statements

52 The Company entered into Share Purchase Agreement (SPA) dated 31.05.2018 with Karvy Data Management Services Limited for sale of shares in HCL Services Limited. As per clause 2.3 of SPA, business consideration of ₹ 648.81 lakhs represents the Second Stage Consideration linked with the Income Tax refunds receivable for the period upto the FY 31.03.2018. The above amount represents refunds due for the AYs. 2015-16 and 2018-19 held up due to appeals pending for these AYs. Karvy is obligated to pay these amounts only on receipt of the same from the IT Dept. The management has assessed favourable outcome for all these years and refund will be received from the IT department for all the years.

53 Additional information to consolidated accounts as at 31.03.2024 (Pursuant to Schedule III of the Companies Act 2013):

₹/Lakhs

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount
Parent company HCL Infosystems Limited	100.51	(27,069.73)	97.95	(1,554.88)	1.04	0.05	98.25	(1,554.83)
Subsidiaries: Indian HCL Infotech Limited	38.70	(10,421.39)	94.31	(1,496.96)	(91.25)	(4.48)	94.88	(1,501.44)
Pimpri Chinchwad eServices Limited	0.01	(2.95)	0.09	(1.44)	-	-	0.09	(1.44)
Subsidiaries: Foreign Nurture Technologies FZE	12.57	(3,386.58)	1.44	(22.82)	242.46	11.90	0.69	(10.92)
HCL Investments Pte Limited, Singapore	(29.01)	7,812.48	0.97	(15.42)	(52.25)	(2.56)	1.14	(17.98)
Intra-Group Eliminations	(22.78)	6,136.22	(94.78)	1,504.16	-	-	(95.05)	1,504.16
Total	100.00	(26,931.95)	100.00	(1,587.36)	100.00	4.91	100.00	(1,582.45)

Additional information to consolidated accounts as at 31.03.2023 (Pursuant to Schedule III of the Companies Act 2013):

₹/Lakhs

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount
Parent company HCL Infosystems Limited	100.65	(25,514.90)	98.91	(3,837.10)	5.28	2.10	99.88	(3,834.99)
Subsidiaries: Indian HCL Infotech Limited	35.19	(8,919.95)	92.23	(3,577.98)	(10.61)	(4.23)	93.30	(3,582.21)
Pimpri Chinchwad eServices Limited	0.01	(1.51)	0.02	(0.71)	-	-	0.02	(0.71)
Subsidiaries: Foreign Nurture Technologies FZE	13.31	(3,374.13)	0.97	(37.48)	(235.79)	(94.00)	3.42	(131.48)
HCL Investments Pte Limited, Singapore	(30.88)	7,827.00	0.21	(8.05)	341.14	136.00	(3.33)	127.95
Intra-Group Eliminations	(18.28)	4,634.00	(92.33)	3,581.91	-	-	(93.29)	3,581.90
Total	100.00	(25,349.49)	100.00	(3,879.41)	100.00	39.87	100.00	(3,839.54)

Notes to the Consolidated Financial Statements

54 Other Statutory Information

- a) The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- b) The company is not declared a wilful defaulter by any bank or financial institution or any other lender.
- c) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- d) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- e) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f) There are no immovable properties not held in the name of the company.

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Girish Arora

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

HCL Infosystems Limited

Pawan Kumar Danwar

Director

DIN - 06847503

Raghu Venkat Chivukula

Director

DIN - 00520704

Alok Sahu

Chief Financial Officer

Raj Kumar Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi: May 22, 2024

Noida : May 22, 2024

**Statement pursuant to first proviso to sub section (3) of Section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014
in the prescribed FORM AOC-1 relating to Subsidiaries**

(₹/Lakhs) except % of shareholding

S. No.	Name of the Subsidiary Company/Joint Venture	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share holding	Country
1	HCL Infotech Limited	INR	1.00	22.03	(10,443.42)	22,593.83	33,015.22	206.38	4,430.72	(1,496.96)	-	(1,496.96)	-	100	India
2	Pimpri Chinchwad eServices Limited	INR	1.00	5.00	(7.95)	0.58	3.53	-	-	(1.44)	-	(1.44)	-	85	India
3	Nuture Technologies FZE (formerly known as HCL Infosystems MEA FZE), Dubai	AED	23.42	8,755.45	(12,142.03)	224.12	3,610.70	-	14.88	(22.85)	-	(22.85)	-	100	Dubai
4	HCL Investment Pte Limited, Singapore	SGD	62.89	841.17	(609.79)	310.80	79.42	0.00	15.64	(9.63)	5.76	(15.39)	-	100	Singapore

This page intentionally left blank

This page intentionally right blank

This page intentionally left blank

HCL INFOSYSTEMS LTD.
A-11, Sector-3, Noida, U.P., India
Tel: +91 0120-2520977
www.hclinfosystems.in