

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Digilife Distribution and Marketing Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the nine months period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to **obtain audit evidence** about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



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Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 March 31, 2016, and its profit and its cash flows for the nine months period ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 25;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.



INDEPENDENT AUDITORS' REPORT

To the Members of Digilife Distribution and Marketing Services Limited
Report on the Financial Statements

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the nine months period ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Avijit Mukerji
Partner

Membership Number: 056155

Place: Noida

Date: May 23, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Digilife Distribution and Marketing Services Limited on the financial statements for the nine months period ended March 31, 2016

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Digilife Distribution and Marketing Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the nine months period ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.
5. 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Digilife Distribution and Marketing Services Limited on the financial statements for the nine months period ended March 31, 2016

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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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Avijit Mukerji
Partner

Membership Number: 056155

Place: Noida
Date: May 23, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Digilife Distributions and Marketing Services Limited on the financial statements as of and for the nine months period ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the nine months period and no material discrepancies have been noticed on such verification.
 - (c) The Company does not own any immovable properties as disclosed in Note 8 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the nine months period. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax and is regular in depositing undisputed statutory dues, including provident fund, employee's state insurance sales tax, income tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs, duty of excise, which have not been deposited on account of any dispute. The particulars of dues of income tax, commercial tax, trade tax and sales tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:



Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Digilife Distributions and Marketing Services Limited on the financial statements as of and for the nine months period ended March 31, 2016 Page 2 of 3

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Amount deposited under protest (Rs in Lacs)	Period to which the amount relates	Forum where the dispute is pending
U.P.Value Added Tax Act-2008	Sales Tax	214.34	31.17	2011-15	Additional Commissioner (Appeals) of Commercial Tax Noida
Delhi Value Added Tax Act-2004	Trade Tax	105.04	15.00	2009-14	Deputy Commissioner (Appeals) of Sales Tax Delhi
Tamil Nadu General Sales Tax Act, 1959.	Sales Tax	35.08	32.66	2009-14	Deputy Commissioner (Appeals) of Sales Tax Chennai
Rajasthan Value Added Tax Act-2003	Commercial tax	0.77	0.00	2011-2012	Tax board Commercial Tax Jaipur
Kerala General Sales Tax Act, 1963.	Sales Tax	3.39	0.22	2011-16	Deputy Commissioner Commercial Tax Kochi
Karnataka Value Added Tax Act, 2003	Sales Tax	20.49	0.00	2011-2012	Deputy Commissioner Appeal Bangalore
The Uttaranchal Value Added Tax Act-2005	Sales Tax	31.56	0.00	2012-13	Deputy Commissioner Commercial Tax Dehradun
Bihar Value Added Tax Act, 2005	Sales Tax	11.35	5.68	2012-15	Joint Commissioner Appeal (Patna)
Jharkhand Value Added Tax Act,2005	Sales Tax	2.37	0.00	2011-12	Joint Commissioner Appeal
M.P. Value Added Tax Act,2002	Sales Tax	17.41	7.94	2011-14	Joint Commissioner Appeal
Income Tax Act, 1961	Income Tax	5.02	0.00	2011-12	

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures, as applicable, as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material



Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Digilife Distributions and Marketing Services Limited on the financial statements as of and for the nine months period ended March 31, 2016 Page 3 of 3

fraud by the Company or on the Company by its officers or employees, noticed or reported during the nine months period, nor have we been informed of any such case by the Management.

- xi. The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the nine months period under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Avijit Mukerji
Partner

Membership Number: 056155

Place: Noida
Date: May 23, 2016

Digilife Distribution and Marketing Services Limited
Balance Sheet as at March 31, 2016

	Notes	As at 31.03.2016		As at
		₹/Lacs		30.06.2015
₹/Lacs				
Equity and Liabilities:				
Shareholders' funds				
Share capital	2	4,805.00		4,805.00
Reserves and surplus	3	(5,396.70)	(591.70)	(5,579.30)
				(774.30)
Non-current liabilities				
Long-term provisions	4		0.05	3.93
Current liabilities				
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises and	5			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		7,267.88		6,544.05
Other current liabilities	6	196.63		250.70
Short-term provisions	7	0.37	7,464.76	4.13
				6,796.88
Total Equity and Liabilities			6,883.11	6,028.51
Assets:				
Non-current assets				
Fixed assets				
- Tangible assets	8	0.38		3.86
Long-term loans and advances	9	261.11	261.49	178.11
				181.98
Current assets				
Inventories	10	1,946.59		1,530.54
Trade receivables	11	2,747.79		2,881.49
Cash and bank balances	12	1,333.27		676.48
Short-term loans and advances	13	583.97	6,611.62	758.04
				5,846.55
Total Assets			6,883.11	6,028.51

Significant Accounting Policies

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants


Avijit Mukherjee
Partner
Membership Number - 056155

The notes referred to above form an integral part of the Balance Sheet

For and on behalf of the Board of Directors


DILIP KUMAR SRIVASTAVA
Managing Director
DIN - 08847137


DHIRENDRA SINGH
Director
DIN - 00852815

Place : Noida
Date : May 23, 2016


S G MURALI
Group Chief Financial Officer


Sanjeev Kumar Saraf
Chief Financial Officer


Gunjan Khanna
Company Secretary

Digilife Distribution and Marketing Services Limited
Statement of Profit and Loss for the period ended March 31, 2016

	Notes	Nine months ended 31.03.2016 ₹/Lacs	Year ended 30.06.2015 ₹/Lacs
Revenue:			
Revenue from operations	14	18,978.33	17,294.01
Other income	15	88.50	32.11
		<u>19,066.83</u>	<u>17,326.12</u>
Expenses:			
Purchases of stock-in-trade (Increase)/Decrease in inventories of stock-in-trade	20 (a)	18,748.53	14,083.34
Employee benefits expense	18	(416.05)	4,252.70
Finance costs	17	53.22	422.85
Depreciation expense	18	-	84.48
Other expenses	8	3.47	8.02
	19	495.06	833.93
		<u>18,884.23</u>	<u>19,885.12</u>
Profit/(Loss) before tax		182.60	(2,359.00)
Tax expense			
Current Tax		1.35	
Less: MAT Credit Entitlement		(1.35)	
Profit/(Loss) for the year		182.60	(2,359.00)
Earning/ (Loss) per equity share (In ₹)			
Basic (of ₹ 10/- each)	26	0.38	(4.91)
Diluted (of ₹ 10/- each)	26	0.38	(4.91)

Significant Accounting Policies

This is the Statement of Profit and Loss referred to in our report of even date


The notes referred to above form an integral part of the Statement of Profit and Loss

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

For and on behalf of the Board of Directors


Avijit Mukerji
Partner
Membership Number - 058155


DILIP KUMAR SRIVASTAVA
Managing Director
DIN - 06847137


DHIRENDRA SINGH
Director
DIN - 00852815

Place : Noida
Date : May 23, 2016


S G MURALI
Group Chief Financial Officer


Sanjeev Kumar Saraf
Chief Financial Officer


Gunjan Khanna
Company Secretary

Digilife Distribution and Marketing Services Limited
Cash Flow Statement for the period ended March 31, 2016

	Nine months ended 31.03.2016 ₹/lacs	Year ended 30.06.2015 ₹/Lacs
1. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	182.80	(2,359.00)
Adjustments for:		
Depreciation Expense	3.47	8.02
Interest Expense		84.48
Interest Income	(47.39)	(10.92)
Provision for Doubtful Debts	13.39	17.31
Provision for Doubtful Loans and Advances	0.50	
Provisions/Liabilities no longer required Written Back	(32.70)	98.89
Operating Profit/(Loss) before working capital changes	119.87	(2,260.11)
Adjustments for changes in working capital:		
- (Increase)/Decrease in Trade Receivables	120.31	5,063.51
- (Increase)/Decrease in Loans and Advances and Other Assets	100.57	(30.37)
- (Increase)/Decrease in Inventories	(418.05)	4,252.70
- Increase/(Decrease) in Liabilities	684.70	(5,866.80)
Cash generated from operations	609.40	1,158.93
- Taxes (Paid)/Received (Net of Tax Deducted at Source)		
Net cash from operating activities	(A) 609.40	1,158.93
2. Cash flow from Investing Activities:		
Purchase of Fixed Assets, including Intangible Assets		(0.46)
Interest Received	47.39	8.83
Movement in Margin Money	(60.02)	(15.33)
Investment in Banks Deposits (having original maturity of more than three months)	(900.00)	
Net cash from/(used in) investing activities	(B) (912.63)	(5.96)



Digilife Distribution and Marketing Services Limited
Cash Flow Statement for the period ended March 31, 2016

		Nine months ended 31.03.2016 ₹/lacs	Year ended 30.06.2015 ₹/Lacs
3. Cash Flow from Financing Activities:			
Unsecured Loans:			
Repayment of short term borrowings			(2,137.08)
Interest Paid			(84.48)
			<u>(2,221.56)</u>
Net cash from/(used in) financing activities	(C)		<u>(2,221.56)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	<u>(303.23)</u>	<u>(1,068.59)</u>
Opening Balance of Cash and Cash Equivalents		660.95	1,729.64
Closing Balance of Cash and Cash Equivalents		357.72	660.95
Cash and cash equivalents comprise of:			
Balances with Banks in Current Accounts		357.72	660.95

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, notified u/s 211(3C) of Companies (Accounting Standard) Rules 2006, as amended and other relevant provisions of the Companies Act, 2013.
- 2 Figures in brackets indicate cash outflow.
- 3 Notes to the financial statements form an integral part of the cash flow statement.


This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants


Avijit Mukerji
Partner
Membership Number - 056155


DILIP KUMAR SRIVASTAVA
Managing Director
DIN - 06847137


DHIRENDRA SINGH
Director
DIN - 00852815

Place : Noida
Date : May 23, 2016


S G MURALI
Group Chief Financial Officer


Sanjay Kumar Saraf
Chief Financial Officer


Gunjan Khanna
Company Secretary

1 - SIGNIFICANT ACCOUNTING POLICIES

a. BACKGROUND

Digilife Distribution and Marketing Services Limited (Formerly Known as HCL Security Limited) ("The Company") was incorporated on March 19, 2008 and is the wholly owned subsidiary of HCL Infosystems Limited. The company is engaged in the business of trading and distribution of various telecommunications and electronic equipment, computer hardware and software and its accessories and other electronic, electric, digital, multi-media, consumer durables and domestic products erstwhile it was engaged in the business of supply and/or installation of Security, Surveillance and Scanning related equipments.

b. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) (Companies Accounting Standards Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

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

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standard) Amendment Rules, 2016 vide its notification dated 30 March, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standard) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April, 2016.

c. FIXED ASSETS

Tangible Fixed Assets are stated at cost except those which are revalued from time to time on the basis of current replacement cost/value to the Company, net of accumulated depreciation/amortisation.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

d. DEPRECIATION AND AMORTISATION

Depreciation is being provided as given below.

(a) Depreciation on fixed assets of the Company is provided on a pro-rata basis on straight-line method using the useful lives of assets prescribed in Schedule II of the Companies Act, 2013.

e. INVENTORIES

Stock-In-Trade are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average method. Goods in Transit are valued inclusive of Customs Duty, where applicable.



f. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all assets and liabilities denominated in foreign currency are reported at the exchange rates prevailing at the balance sheet date and the resultant gain or loss is recognised in the Statement of Profit and Loss.
- c) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognized in the statement of Profit and Loss in the reporting period in which the exchange rate change.

g. EMPLOYEE BENEFITS

Defined Benefit:

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. 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.

Provident Fund

The Company is a participant in a provident fund plan which is administered through a multi-employer trust. The Provident Fund liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust is additionally provided for. The Company's contribution to provident fund for the year is included in the Statement of Profit and Loss.

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 the additional amount expected to be paid 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.

Defined Contribution:

Company's contribution towards Superannuation Fund is accounted for on accrual basis. The Company makes defined contributions to a Superannuation Trust established for the purpose. The Company has no further obligation beyond the monthly contributions.



h. REVENUE RECOGNITION

Sales, after adjusting trade discount and the related revenue is recognised on transfer of all significant risks and rewards of ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration.

i. LEASES

Assets taken on leases where significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

j. CURRENT AND DEFERRED TAX

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

k. PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the amount of the obligation cannot be made.

l. IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that tangible asset may be impaired. If any such indication exists, the Company estimates the recoverable amount and if the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

m. 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 and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimate of cost expected to be incurred to complete performance under composite arrangements, income taxes, provision for warranty, employment benefit plans, provision for doubtful debts and estimated useful life of the fixed assets. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2016 ₹/Lacs	As at 30.09.2016 ₹/Lacs
2- Share capital		
<u>Authorised</u>		
50,000,000 Equity Shares (2015 - 50,000,000) of ₹ 10/- each	5,000.00	5,000.00
<u>Issued, Subscribed and Paid up</u>		
48,050,000 Equity Shares (2015 - 48,050,000) of ₹ 10/- each (Fully Paid Up)	4,805.00	4,805.00
TOTAL	<u>4,805.00</u>	<u>4,805.00</u>

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(ii) Shareholders holding more than 5% of the aggregate shares in the Company	No of Shares	% of shares	No of Shares	% of shares
(a) HCL Infosystems Limited (Holding Company)	48,050,000	100	48,050,000	100



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

3- Movement in Reserves and surplus

Particulars	(₹/Lacs)
As at July 1, 2014	(3,220.30)
Loss for the year	(2,359.00)
As at June 30, 2015	<u>(5,579.30)</u>
As at July 1, 2015	(5,579.30)
Profit for the period	182.60
As at March 31, 2016	<u>(5,396.70)</u>



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2016 ₹/Lacs	As at 30.03.2015 ₹/Lacs
4- Long-term provisions		
Provision for Employee Benefits (Refer Note 27)	0.06	3.93
TOTAL	0.06	3.93
5- Trade-payables		
Trade Payables (Refer Note 32)		
- Total outstanding dues of micro enterprises and small enterprises and		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,267.98	6,644.05
TOTAL	7,267.98	6,544.05
6- Other current liabilities		
Advances Received from Customers	98.16	128.14
Statutory Dues Payable	66.31	78.71
Employees Benefits Payable	12.07	43.85
TOTAL	196.53	250.70
7- Short-term provisions		
Provision for Employee Benefits (Refer Note 27)†	0.37	4.13
TOTAL	0.37	4.13

† Includes ₹ 0.19 Lacs (2015 - ₹ 2.88 Lacs) for provision for leave encashment.



Dialife Distribution and Marketing Services Limited
Notes to the Financial Statements

8- Fixed Assets

Particulars	Gross Block		Depreciation		Net Block	
	As at 01.07.2015	As at 31.03.2016	As at 01.07.2015	As at 31.03.2016	As at 31.03.2016	As at 30.06.2015
Tangible Assets:						
Own Assets						
Plant and Machinery	0.63	0.63	-	0.63	-	-
Office Equipments	0.69	0.69	-	0.11	-	0.49
Computers	24.27	24.27	-	3.36	0.38	3.36
Sub-Total	25.59	25.59	-	3.47	25.21	25.21
Previous Year	25.41	25.59	0.46	8.02	0.28	3.85
					21.74	3.85



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Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2016 ₹/Lacs	As at 30.06.2015 ₹/Lacs
9- Long-term loans and advances		
Unsecured:		
Deposits with Sales tax authorities	134.50	78.77
Advance Income tax (Net of Provision for Income Tax of ₹ 116.34 Lacs (2015 - ₹ 114.99 Lacs))	116.61	98.34
TOTAL	<u>251.11</u>	<u>178.11</u>
10- Inventories		
Stock-in-Trade (Including In Transit ₹ 482.62 Lacs (2015 - ₹ 124.65 Lacs))	1,948.69	1,530.64
TOTAL	<u>1,948.69</u>	<u>1,530.64</u>
11- Trade Receivables		
Unsecured		
Debts outstanding for a period exceeding six months from the date they are due for payment		
-Considered Good	143.14	240.04
-Considered Doubtful	183.69	307.34
Other debts		
-Considered Good	<u>2,804.65</u>	<u>2,841.46</u>
	2,901.48	3,188.83
Less: Provision for Doubtful Debts	<u>183.69</u>	<u>307.34</u>
	2,717.79	2,881.49
TOTAL	<u>2,717.79</u>	<u>2,881.49</u>



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2016 ₹/Lacs	As at 30.06.2015 ₹/Lacs
12- Cash and bank balances		
Cash and Cash Equivalents		
Balances with Banks		
- On Current Account		
Other Bank Balances	367.72	660.86
Bank Deposits with original maturity of more than three months and upto twelve months	900.00	
Margin Account	76.55	16.50
TOTAL	<u>1,333.27</u>	<u>670.48</u>
13- Short-term loans and advances		
Unsecured		
Considered Good		
Balances with Customs, Port Trust, Excise and Sales Tax Authorities		
Advances to Creditors	86.92	124.51
Mat Credit Entitlement	288.04	401.05
Other Deposits	114.27	112.82
Prepaid Expenses	85.20	86.74
Others	0.83	8.38
Others	20.01	24.44
Considered Doubtful		
Deposits and Others Advances	0.50	
Less : Provision for Doubtful Loans & Advances	<u>0.50</u>	
TOTAL	<u>583.97</u>	<u>768.04</u>



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	Nine months ended	Year ended
	31.03.2018	30.06.2018
	₹/Lacs	₹/Lacs
14- Revenue from operations		
Sale of Products (Refer Note 20(b))	18,978.33	17,294.01
TOTAL	<u>18,978.33</u>	<u>17,294.01</u>
15- Other Income		
Interest Income		
- On Fixed Deposits (Gross)	47.39	10.92
Provisions/Liabilities no longer required written back	32.70	
Miscellaneous Income	8.41	21.19
TOTAL	<u>88.50</u>	<u>32.11</u>
16- (Increase)/Decrease in inventories of stock-in-trade		
Closing Stock		
- Stock-in-Trade	1,946.69	1,630.64
Opening Stock		
- Stock-in-Trade	1,630.64	5,783.24
(Increase)/Decrease in inventories of stock-in-trade	<u>(416.05)</u>	<u>4,252.70</u>
17- Employee benefits expense (Refer Note 27)		
Salaries, Wages, Bonus and Gratuity	60.69	408.78
Contribution to Provident and Other Funds	1.83	11.30
Staff Welfare Expenses	1.00	4.57
TOTAL	<u>63.52</u>	<u>422.65</u>
18- Finance costs		
Interest on Short Term Borrowings	-	84.48
TOTAL	<u>-</u>	<u>84.48</u>



Digilife Distribution and Marketing Services Limited

Notes to the Financial Statements

	Nine months ended 31.03.2016 ₹/Lacs	Year ended 30.09.2015 ₹/Lacs
18- Other expenses		
Rent (Refer Note 24)	189.13	228.04
Rates and Taxes	24.21	61.71
Printing and Stationery	3.67	2.03
Communication	2.28	9.74
Travelling and Conveyance	2.76	48.51
Packing, Freight and Forwarding	77.29	131.42
Legal and Professional (Refer Note 23)	100.33	74.91
Relationship Expenses	2.12	27.91
Training and Conference	-	1.80
Office Electricity and Water	-	0.09
Insurance	34.61	55.15
Advertisement, Publicity and Entertainment	1.08	19.09
Hire Charges	0.14	1.73
Bank Charges	28.29	14.92
Provision for Doubtful Debts	13.39	17.31
Provision for Doubtful Loans and Advances	0.50	-
Repairs	-	-
- Others	-	0.05
Net Loss on Foreign Exchange Fluctuation	6.21	53.79
Common Cost Allocated from HCL Infosystems Limited, the Holding Company	-	16.00
Miscellaneous	10.16	71.73
TOTAL	<u>495.66</u>	<u>833.93</u>



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

20 (a) Information in respect of purchase of traded goods:

	Amount ₹/Lacs
Memory Card	0.21
	(3,242.10)
Mobile Device	5,775.59
	(1,842.93)
Computers (Desktop and Laptops)	7,694.42
	(4,402.15)
Gaming, Tablet and LCD	0.45
	(599.85)
Networking Printer server	3,992.27
	(3,960.07)
Others*	1,285.59
	(36.24)
Total	18,748.53
	(14,083.34)

*Does not include any item which in value individually accounts for 10% or more of the total value of purchase of traded goods.
Previous year figures are given in brackets.

20 (b) Sales:

Class of Products	Sales / Adjustments
	Amount ₹/Lacs
Memory Card	0.24
	(4,481.06)
Mobile Device	7,767.30
	(1,250.32)
Computers (Desktop and Laptops)	7,374.88
	(5,388.94)
Gaming, Tablet and LCD	49.99
	(2,060.41)
Networking Printer server	3,070.25
	(3,787.82)
Others*	715.67
	(325.46)
Total	18,978.33
	(17,294.01)

*Does not include any item which in value individually accounts for 10% or more of the total value of sales / stock.
Previous year figures are given in brackets.



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	2016 ₹/Lacs	2015 ₹/Lacs
21. Value of Imports calculated on CIF basis:		
Traded items	0.00	4,018.67
Total	0.00	4,018.67
22. Expenditure in Foreign Currency: (On accrual basis)		
	2016 ₹/Lacs	2015 ₹/Lacs
a) Travel	0.00	0.55
Total	-	0.55
23. Remuneration to Auditor*:		
	2016 ₹/Lacs	2015 ₹/Lacs
Audit Fee	5.00	4.00
Other Audit Services/Certifications	2.00	1.00
Total	7.00	5.00
*Excluding service tax		

24. Leases:

Operating Lease:

(i) Cancelable Operating Leases

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

(b) The rental expense in respect of operating leases is ₹ 189.13 Lacs (2015 - ₹ 228.04 Lacs) which is disclosed as Rent expense under 'Other expenses'.

25 Contingent Liabilities :

Claims against the Company not acknowledged as debts:

	2016 ₹/Lacs	2015 ₹/Lacs
Sales Tax*	441.80	338.33
Income Tax	5.02	4.58

*Includes sum of ₹ 92.68 Lacs (2015 - ₹ 46.02 Lacs) deposited by the Company against the above.

The amount shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the out come of the different legal processes which have been initiated by the Company or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

26. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The earnings considered in ascertaining the company's EPS represent profit/(loss) for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Calculation of EPS:

Particulars	2016	2015 ₹/Lacs
Profit / (Loss) after tax (₹)	182.60	(2,359.00)
Weighted average number of shares considered as outstanding in computation of Basic EPS	48,050,000	48,050,000
Weighted average number of shares considered as outstanding in computation of Diluted EPS	48,050,000	48,050,000
Basic EPS (of ₹ 10/- each)	0.38	(4.91)
Diluted EPS (of ₹ 10/- each)	0.38	(4.91)

There are no dilutive equity shares as at year end.



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

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

(a) Defined Contribution Plans

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

	2016 ₹/Lacs	2015 ₹/Lacs
(i) Employers Contribution to Superannuation Fund*	0.10	1.41
(ii) Employers Contribution to Employee State Insurance*	-	0.06
(iii) Employers Contribution to Employee's Pension Scheme 1995*	0.80	4.25

* Included in Contribution to Provident and Other Funds under Employee Benefits expense (Refer Note 17).

(b) Defined Benefit
 (i) Gratuity
 (ii) Provident Fund#

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in the respect of the aforesaid defined benefit plans based on the following assumptions:

	Employees Gratuity Fund	
	2016	2015
Discount Rate (per annum)	7.44%	8.00%
Rate of increase in compensation levels	8.00%	8.00%
Rate of return on plan assets	Not Applicable	Not Applicable
Expected average remaining working lives of employees (years)	21.36	19.97

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.

	2016 ₹/Lacs	2015 ₹/Lacs
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Present value of obligation at the beginning of the year	5.17	18.92
Current service cost	0.03	(0.10)
Past service cost	-	-
Interest cost	0.32	1.53
Actuarial (gain)/loss	(1.46)	(7.74)
Benefits (paid)	(3.83)	(7.44)
Transferred out on sale of business	-	-
Present value of obligation at the end of the year	0.23	5.17
Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:		
Present value of the obligation as at the end of the year	0.23	5.17
Fair value of plan assets at the end of the year	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(0.23)	(5.17)
Cost recognised for the period (included under Salaries, Wages, Allowances, Bonus and Gratuity under Employee Benefits expense - Refer Note 17)		
Current service cost	0.03	(0.10)
Past service cost	-	-
Interest cost	0.32	1.53
Actuarial (gain) / loss	(1.46)	(7.74)
Net cost / (gain) recognised for the year	(1.11)	(6.31)

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

	₹/Lacs				
	2016	2015	2014	2013	2012
Present value of the obligation as at the end of the year	0.23	5.17	18.92	7.76	3.15
Fair value of plan assets at the end of the year	-	-	-	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(0.23)	(5.17)	(18.92)	(7.76)	(3.15)

In respect of certain eligible employees, the Company is participant under a provident fund plan which is administered through a multi employer trust. The participants have an obligation to make good any deficiency in the interest to be paid by the Trust to its members and the income earned by it. Accordingly the plan is as a defined benefit plan. The trust has obtained an actuarial valuation of the Provident fund liability as at the Balance Sheet date and as per valuation report, there is no shortfall as on March 31, 2016. The valuation report contained details for the disclosure requirement of the Accounting Standard 15 "Employee Benefits" for the trust as a whole, however breakup into respective entities is not available and accordingly the disclosures for provident fund liability as required by Accounting Standard 15 "Employee Benefits" has not been made in these financial statements. The Company's contribution to provident fund for the year is ₹ 0.07 Lacs (2015 ₹ 5.58 Lacs) which has been included under Contribution to Provident and Other Funds (Refer Note 17).

28. Foreign Currency Exposure:

(a) The Company has following outstanding derivative as at reporting date:

Particulars	Foreign Currency Value ₹ / lacs		Average rate		Maximum Maturity Period	
	2016	2015	2016	2015	2016	2015
Forward contract to buy USD	NIL	5.60	NIL	64.12	NIL	1 months

The following derivatives have been undertaken to hedge the foreign currency exposures on Import as at March 31, 2016.

b) As on March 31, 2016, the foreign currency exposure that is not hedged by a derivative instrument or otherwise in respect of

Particulars	₹ / Lacs	
	2016	2015
Trade Payables	203.94	NIL
Trade Receivables	NIL	NIL



Digilife Distribution and Marketing Services Limited

29. Disclosure of related parties and related party transactions:

(a) Company having substantial interest:

- HCL Corporation Private Limited

(b) Holding Company:

- HCL Infosystems Limited (holds 100% of equity share capital of the Company)

(c) Fellow subsidiaries:

- HCL Infotech Limited
- HCL Services Limited
- HCL Learning Limited

(d) Enterprises over which, individual having indirect significant influence over the company, has significant influence and with whom transactions have taken place during the year and/or where balances exist :

- HCL Comnet Limited
- HCL Technologies Limited
- HCL Talent Care Private Limited
- HCL Avilas Private Limited

Particulars	Holding Company		Fellow Subsidiaries		Others		Total	
	Mar 16	Jun 15	Mar 16	Jun 15	Mar 16	Jun 15	Mar 16	Jun 15
(i) Transactions								
Sales and related income	17.24	375.08	157.87	457.68	8.71	82.98	183.62	915.72
-HCL Infosystems Limited	17.24	375.08						
-HCL Infotech Limited			11.00	254.07				
-HCL Services Limited			146.87	201.04				
-HCL Learning Limited				2.57				
-HCL Technologies Limited						79.82		
-HCL Comnet Limited						2.93		
-HCL Talent Care Private Limited					8.71			
Purchase of Goods	5,786.77	2,340.49					5,786.77	2,340.49
-HCL Infosystems Limited	5,786.77	2,340.49						
Purchase of Assets				0.46				0.46
-HCL Infotech Limited				0.46				
Net Inter Company Deposits (ICD) Refunded/Adjusted		2,137.07						2,137.07
-HCL Infosystems Limited		2,137.07						
Interest on Net Inter Company Deposits (ICD) Taken		84.54						84.54
-HCL Infosystems Limited		84.54						
Reimbursement of Expenses	18.22	52.43		86.76			18.22	139.19
a) Paid								
-HCL Infosystems Limited	18.22	52.43		86.76				
-HCL Services Limited								
(ii) Amount due to/ from related parties								
Accounts Receivables	54.24	180.01	195.12	219.96	1.07	3.20	250.43	383.17
Accounts Payables	2,914.15	2,663.08	97.91	0.46	2.33	2.33	3,014.39	2,665.87

Note: All transactions with related parties have been entered into in the normal course of business

(e) The Company has taken working capital facilities (non funded) from bank which is secured by a corporate guarantee given by HCL Infosystems Limited, the holding company, against which the Company has utilised ₹ 1562.40 Lacs (2015 - ₹ 1786.66 Lacs) as at March 31, 2016.

(f) No remuneration is paid by the Company to the whole-time Director.



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

30. Employee Stock Option Plan (ESOP):

The holding company has established Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005 for the employees of HCL Infosystems Limited and its subsidiaries.


HCL Infosystems Limited, Holding Company follows the Intrinsic Value Method of accounting and there is no charge for ESOPs based on this method during the current year which relates to the Company.

The impact on the profit/(loss) of the Company for the current year ended March 31, 2016 and the basic and diluted earnings per share had the Holding Company followed the fair value method of accounting for stock options is set out below:

Proforma disclosures	₹/Lacs	
Particulars	9 months period ended March 31, 2016	Year ended June 30, 2016
Profit/(Loss) after tax as per Statement of Profit and Loss (a)	182.60	(2,359.00)
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	182.60	(2,359.00)
Profit/(Loss) Per Share based on earnings as per (a) above:		
- Basic and Diluted (Refer Note 26)	0.38	(4.01)
Profit/(Loss) Per Share had fair value method been employed for accounting of employee stock options:		
- Basic and Diluted	0.38	(4.91)

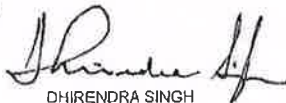
31. The Company's business falls within a single primary business and geographical segment, i.e. trading and distribution of various telecommunications and electronic equipment, computer hardware and software and its accessories and other electronic, electric, digital, multi-media, consumer durables and domestic products. Accordingly, pursuant to Accounting Standard 17 on 'Segment Reporting', notified under section 211 (3C) of the Companies Act, 1958 read with Rule 7 of the Companies (Accounts) Rules, 2014 & Section 133 of the Companies Act, 2013 as at March 31, 2016, segment information is not required to be disclosed.
32. Based on the information available with the management, none of the vendors are registered under the Micro, Small and Medium Enterprises Development Act, 2006.
33. Previous year figures have also been regrouped/recasted, where necessary, to conform to current year's presentation.
34. In compliance with the Section 2(41) of Companies Act, 2013, the company has changed its Financial year end from June 30 to March 31. The current year's figures are for the period July 1, 2015 to March 31, 2016 and to the extent are not comparable with those for the previous year. Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

For Pricewaterhouse
 Firm Registration Number: 301112E
 Chartered Accountants


 Avijit Mukerji
 Partner
 Membership Number - 056155

For and on behalf of the Board of Directors



 DILIP KUMAR SRIVASTAVA
 Managing Director
 DIN - 06847137


 DHIRENDRA SINGH
 Director
 DIN - 00852815

Place: Noida
 Date : May 23, 2016


 S G MURALI
 Group Chief Financial Officer


 Sanjeev Kumar Saraf
 Chief Financial Officer


 Gunjit Khanna
 Company Secretary