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INDEPENDENT AUDITORS' REPORT

To the Members of HCL Infosystems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty on Going Concern

We draw attention to note 57 of the standalone financial statements, which states that the Company has accumulated losses and has incurred a net loss of Rs. 204.76 crore during the current year. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 31 March 2021. These conditions, along with other matters set forth in note 58, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern i.e., whether the Company will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 57, including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the standalone financial statements on a going concern basis.

Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

Description of Key Audit Matter

Recoverability of loans given to certain subsidiaries	
See note 2.14 (a) and 14 to the standalone financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company has given loans to its subsidiaries amounting to Rs. 2.81 crores (net of impairment losses Rs. 81.78 crores).</p> <p>Assessment of the recoverable amount of loans including interest thereon given to these subsidiaries has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • Significance of the carrying amount of these balances and these subsidiaries have been incurring losses. • This assessment requires the Company to make significant estimates and judgements of the future cash flows, qualitative assessments of the projects in those subsidiaries and timelines of expected project approvals. • Changes to any of these estimates and judgements may lead to material changes in the estimated recoverable amount, impacting both the potential impairment charge and the recognition of interest income. 	<p>In view of the significance of the matter we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Evaluating design, implementation and operating effectiveness of controls over process followed for recoverability of principal and interest. • Assessing the projections prepared by the Company and the assumptions used, with particular attention to the following: <ul style="list-style-type: none"> -assessing the reasonableness of the cash flow forecasts through analysis of past performance vis-a-vis previous forecasts and our knowledge of the business of the Company; -performing sensitivity analyses of the key assumptions used in the forecasts to determine the appropriate level of impairment and interest income to be recognised; - understanding the nature and duration of the ongoing projects in the respective subsidiaries to determine the likely timing of recovery of the loans; • Assessing, whether disclosures made in the standalone Ind AS financial statements are in compliance, with the applicable accounting standards.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

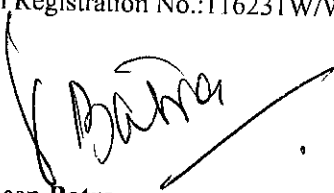
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company; and

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements.
 - ii. The Company has long-term contract for which there were no material foreseeable losses. The company did not have any long term derivative contracts as on 31 March 2021.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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


Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABG9347

Place: New Delhi
Date :25-June-2021

Annexure A referred to in our Independent Auditor's Report to the Members of HCL Infosystems Limited on the standalone financial statement for the year ended 31 March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified by the management in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties included in fixed assets are held in the name of the Company, except for the immovable property mention below:

Particulars	(Rs. in crores)	
	Gross Block	Net Block
Land and Buildings at Ambattur, Chennai	5.58	3.08

- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) of the order not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, guarantee and security given by the Company in respect which provisions of Section 185 of the Companies Act, 2013 are applicable. Further, provisions of Section 186 of the Companies Act, 2013 have been complied with respect to loans given, investments made, guarantees and security given by the Company. Also refer note 52 to the standalone financial statements.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Goods and Services tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate Authorities.

According to information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax and Goods and service tax which have not been deposited by the Company on account of disputes, except for the following:

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise	0.49	0.02	2006-07 to 2008-09, 2010-11	Commissioner Appeals
Central Excise Act, 1944	Excise	0.21	0.02	2002-03, 2012-13	High Court
Customs Act, 1962	Customs	0.02	-	2008-09	Commissioner (Appeals)
Customs Tariff Act, 1975	Customs	40.49	5.00	2005-2009	CESTAT
Finance Act, 1994	Service Tax	70.94	5.00	2003-06, 2010-11 to 2013-14	High Court
Finance Act, 1994	Service Tax	351.86	13.25	2006-2009, 2010-2015	CESTAT
Goods and Services Tax, 2017	SGST	0.02	-	2018-19	Deputy Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	8.05	2.26	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15	Additional Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	0.93	0.17	2014-15	Additional Commissioner
Sales Tax/ Value added Act under various states*	Sales Tax	6.31	0.00	2007-08, 2010-11, 2011-12, 2016-17, 2017-18	Assessing Officer
Sales Tax/ Value added Act under various states	Sales Tax	0.36	0.06	2003-04, 2005-06, 2006-07, 2010-11, 2012-13, 2013-14, 2014-15, 2016-17	Assistant Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	19.06	1.54	2003-04, 2004-05, 2005-06, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Deputy Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	10.13	1.79	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Deputy Commissioner (Appeals)

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax/ Value added Act under various states	Sales Tax	0.12	0.08	2005-06, 2006-07, 2007-08, 2008-09	High Court
Sales Tax/ Value added Act under various states	Sales Tax	11.74	1.34	2007-08, 2009-10, 2014-15, 2015-16, 2016-17	Joint Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	8.02	2.09	2004-05, 2008-09, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	Joint Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	1.37	0.45	2001-02, 2003-04, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2012-13, 2013-14, 2014-15	Sales Tax Tribunal
Sales Tax/ Value added Act under various states	Sales Tax	0.01	0.01	2013-14	Special Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	24.30	53.56	2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	Tax Board
Sales Tax/ Value added Act under various states	Sales Tax	0.01	-	2009-10 and 2014-15	Intelligence Officer
Entry Tax Act	Entry Tax	0.09	-	2008-09, 2009-10	Additional Commissioner (Appeals)
Entry Tax Act	Entry Tax	0.34	0.05	2008-11	Assessing Officer
Entry Tax Act	Entry Tax	0.25	0.02	2008-09, 2009-10, 2010-11, 2014-15, 2014-15, 2016-17	Deputy Commissioner (Appeals)
Entry Tax Act	Entry Tax	0.58	0.09	2012-13, 2012-14	High Court
Entry Tax Act	Entry Tax	0.09	0.11	2010-11, 2011-12, 2014-15	Tax Board
Central Sales tax Act, 1956	CST	1.44	0.45	2007-08, 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17	Additional Commissioner (Appeals)
Central Sales tax Act, 1956	CST	0.07	0.03	2004-05, 2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15	Assessing Officer
Central Sales tax Act, 1956	CST	0.11	0.03	2003-04, 2013-14, 2014-15, 2015-16	Assistant Commissioner

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Central Sales tax Act, 1956	CST	3.16	1.00	2003-04, 2004-05, 2006-07, 2007-08, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2011-12, 2012-13, 2013-14	Deputy Commissioner
Central Sales tax Act, 1956	CST	7.15	0.70	2006-07, 2008-09, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2012-13, 2013-14, 2015-16, 2017-18	Deputy Commissioner (Appeals)
Central Sales tax Act, 1956	CST	0.28	0.30	2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2016-17	Joint Commissioner
Central Sales tax Act, 1956	CST	0.75	0.47	2005-06, 2011-12, 2013-14, 2014-15	Joint Commissioner (Appeals)
Central Sales tax Act, 1956	CST	2.68	1.43	2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2010-11, 2011-12, 2014-15, 2015-16	Sales Tax Tribunal
Central Sales tax Act, 1956	CST	0.10	-	2013-14	Special Commissioner (Appeals)
Central Sales tax Act, 1956	CST	0.66	-	2006-07, 2008-09	Tax Board
Central Sales tax Act, 1956	CST	0.37	0.11	2004-05, 2013-14, 2014-15, 2015-16	Commercial Tax Officer
Central Sales tax Act, 1956	CST	1.55	0.46	2012-13, 2013-14	Department of Trade and Taxes
Central Sales tax Act, 1956	CST	1.48	0.01	2010-11, 2011-12, 2014-15, 2015-16	ETO - Haryana
Central Sales tax Act, 1956	CST	0.04	-	2015-16	AVTO- DELHI
Central Sales tax Act, 1956	CST	0.02	-	2015-16, 2016-17	Sales Tax Officer
Central Sales tax Act, 1956	CST	0.01	-	2015-16	Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	2.60	2.79	2004-05, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Commercial Tax Officer

Name of Act	Nature of dues	Demand (in crores)	Amount deposited (in crores)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax/ Value added Act under various states	Sales Tax	4.08	-	2015-16	Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	2.85	0.13	2010-11,2011-12	Uppar Auykat Appeals
Sales Tax/ Value added Act under various states	Sales Tax	2.25	0.31	2012-13, 2013-14, 2014-15	ETO
Sales Tax/ Value added Act under various states*	Sales Tax	0.00	0.01	2015-16	Senior Joint Commissioner
Sales Tax/ Value added Act under various states	Sales Tax	0.12	0.04	2013-14	Assistant Commissioner (Appeals)
Sales Tax/ Value added Act under various states	Sales Tax	0.21	0.14	2009-10	Tax Officer
Entry Tax Act	Entry Tax	0.09	0.04	2008-09, 2009-10, 2010-11, 2011-12, 2013-14, 2014-15	Commercial Tax Officer
Entry Tax Act	Entry Tax	0.01	0.01	2009-10, 2016-17	Joint Commissioner
Entry Tax Act	Entry Tax	0.27	0.19	2011-12, 2012-13, 2013-14	Joint Commissioner (Appeals)
Entry Tax Act	Entry Tax	0.02	0.02	2012-13, 2016-17	Assistant Commissioner
Income tax Act, 1961	Income tax	19.95	-	2006-07 and 2013-14	Income tax Appellate tribunal
Income tax Act, 1961	Income tax	10.75	-	2005-2006, 2006-07, 2011-12 and 2017-18	Commissioner of Income Tax (Appeals)

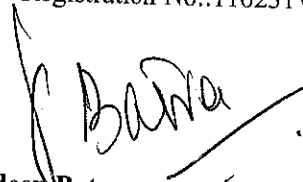
* Represents demand below Rs one lac.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks or financial institution. The Company did not have any outstanding loans or borrowings from Government and there were no debentures issued during the year or outstanding as at 31 March 2021.

(ix) According to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purpose for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of records of the Company, the managerial remuneration has paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with the Section 177 and Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Sandeep Batra
Partner
Membership No.: 099320
UDIN:21093320AAAABG9347

Place: New Delhi
Date :25-June-2021

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

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of HCL Infosystems Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

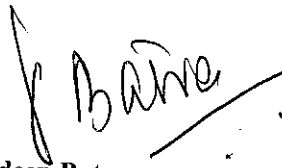
Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sandeep Batra

Partner

Membership No.: 099320

UDIN:21093320AAAABG9347

Place: New Delhi
Date :25-June-2021

HCL Infosystems Limited
Standalone Balance Sheet as at March 31, 2021

	Notes	As at 31.03.2021		As at 31.03.2020	
		₹/Crores		₹/Crores	
I. ASSETS					
(1) Non-current assets					
Property, plant and equipment	3 (a)	35.13		53.60	
Right of use assets	3 (b)	-		0.84	
Capital work-in-progress	3(c)	0.16		-	
Intangible assets	4	0.08		0.36	
Financial Assets					
(i) Investments	5	0.04		0.04	
(ii) Other financial assets	6	36.36		34.85	
Deferred tax assets (net)	7	-		-	
Advance income tax (net)	8	39.14		44.46	
Other non-current assets	9	165.46	276.37	196.96	331.11
(2) Current assets					
Inventories	10	0.53		24.24	
Financial Assets					
(i) Trade receivables	11	14.64		158.38	
(ii) Cash and cash equivalents	12	18.52		37.56	
(iii) Bank balances other than (ii) above	13	5.67		22.22	
(iv) Loans	14	2.81		203.56	
(v) Other financial assets	15	16.28		34.33	
Other current assets	16	21.36		46.43	
Assets held for sale	51	15.05	94.86	-	526.72
Total Assets			371.23		857.83
II. EQUITY AND LIABILITIES					
(1) Equity					
Equity share capital	17	65.84		65.84	
Other equity	18	(310.68)	(244.83)	(105.66)	(39.82)
(2) Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	19(i)	59.03		22.75	
(ii) Lease obligation	19(ii)	-		1.03	
Provisions	20	0.84	59.87	2.27	26.05
Current liabilities					
Financial liabilities					
(i) Borrowings	21	414.89		420.60	
(ii) Trade payables	22				
(a) Total outstanding dues of micro enterprises and small enterprises		1.89		6.71	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		38.50		341.49	
(iii) Other financial liabilities	23	75.58		76.38	
Other current liabilities	24	13.48		14.63	
Provisions	25	11.84	556.19	11.79	871.60
Total Equity and Liabilities			371.23		857.83

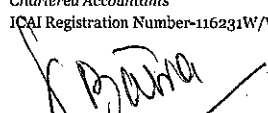
Significant Accounting Policies

2

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

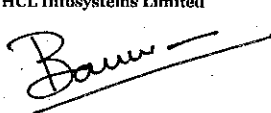
As per our report of even date attached

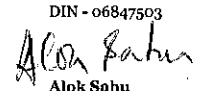
For B S R & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024


Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 25, 2021


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


Pawan Kumar Danwar
Director
DIN - 06847503


Alok Sahu
Chief Financial Officer

Noida, June 25, 2021


Raj Sachdeva
Manager


Kaushik Dutta
Director
DIN - 0332889

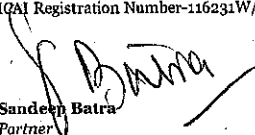

Komal Bathla
Company Secretary

HCL Infosystems Limited
Standalone Statement of Profit and Loss for the period ended March 31, 2021

		Year ended 31.03.2021	Year ended 31.03.2020
	Notes	₹/Crores	₹/Crores
Income :			
Revenue from operations	26	217.36	1,648.13
Other income	27	23.63	29.65
Total income		240.99	1,677.78
Expenses :			
Cost of materials consumed		0.00	0.00
Purchase of stock-in-trade		181.48	1,547.99
Changes in inventories of stock-in-trade	28	23.71	61.05
Other direct expense	29	0.78	6.89
Employee benefits expense	30	28.38	56.54
Finance costs	31	49.50	84.27
Depreciation and amortization expense	34	4.03	7.41
Other expenses	32	66.99	66.81
Total expenses		354.87	1,830.96
Loss before exceptional items and tax		(113.88)	(153.18)
Exceptional items	36	(90.88)	(101.71)
Loss before tax		(204.76)	(254.89)
Income tax expense:			
Current tax		-	-
Deferred tax	48	-	63.55
Loss for the year		(204.76)	(318.44)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(i) Gain/(loss) on remeasurement of defined benefit plan	45	(0.25)	(0.21)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
		(0.25)	(0.21)
Total comprehensive loss for the year		(205.01)	(318.65)
Earnings per share (in ₹)	43		
- Basic and diluted (of ₹ 2/- each)		(6.22)	(9.67)
Significant accounting policies	2		

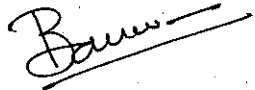
The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
ICAI Registration Number-116231W/W-100024


Sandeep Batra
Partner
Membership Number - 093320


New Delhi, June 25, 2021

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


Pawan Kumar Danwar
Director
DIN - 06847503


Alok Sahu
Chief Financial Officer

Noida, June 25, 2021


Kaushik Dutta
Director
DIN - 03328890


Komal Bathla
Company Secretary

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

	Year ended 31.03.2021 ₹/Crores	Year ended 31.03.2020 ₹/Crores
1. Cash Flow from Operating Activities:		
Loss before tax	(204.76)	(254.89)
Adjustments for:		
Depreciation and amortisation expense	4.03	7.41
Finance cost	49.50	84.27
Interest income	(3.70)	(14.94)
Net profit on sale of properties	(0.19)	(15.74)
Property, plant and equipment written-off	0.40	0.12
Provision against inter company deposits given to subsidiaries	84.57	117.36
Loss on conversion of inter company deposits into Optionally Convertible Debentures	6.31	-
Gain on foreign exchange fluctuation	(0.63)	(0.94)
Provision for doubtful debts	3.28	4.09
Provisions for other current assets	17.80	-
Provisions/liabilities no longer required written back	(14.88)	(1.95)
Operating (loss)/ profit before working capital changes	(58.27)	(75.21)
Changes in operating assets and liabilities		
- Decrease in trade receivables	140.44	217.08
- Increase in non-current assets	31.49	(15.28)
- Decrease in current assets	44.23	50.14
- Decrease in inventories	23.71	61.06
- (Decrease)/increase in non current liabilities	(1.43)	(3.75)
- Decrease in current liabilities	(319.16)	(181.18)
Cash generated from operations	(138.99)	52.86
-Taxes (paid) / refund received (net)	6.73	(2.52)
Net cash generated from operating activities (A)	(132.26)	50.34
2. Cash flow from investing activities:		
Purchase of properties plant and equipments and intangible assets	(0.37)	(0.32)
Proceeds from sale of properties	0.53	29.91
Interest received	2.29	14.94
Redemption/maturity of bank deposits (net)	14.58	85.57
Movement in margin money account (net)	0.52	(3.55)
Movement in balances with banks on dividend account	-	0.12
Inter corporate deposits given	(285.72)	(470.20)
Inter corporate deposits received back	379.41	665.62
Receipt of business consideration on sale of investment in subsidiaries	-	50.21
Net cash generated from investing activities (B)	111.24	372.30
3. Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	1,782.77	1,785.43
Repayment of loans and borrowings	(1,729.88)	(2,120.40)
Lease obligation paid	(1.03)	(1.49)
Interest paid	(49.82)	(87.29)
Unclaimed dividend transferred to investor protection fund	(0.47)	(0.12)
Net cash used in financing activities (C)	1.57	(423.87)
Net decrease in cash and cash equivalents (A+B+C)	(19.45)	(123)
Opening balance of cash and cash equivalents	37.56	38.99
Exchange difference on translation of foreign currency cash and cash equivalent	0.41	(0.20)
Closing balance of cash and cash equivalents	18.52	37.56
Cash and cash equivalents comprise of	18.52	37.56
Cash, cheques and drafts (on hand)	-	-
Balances with banks on current accounts	18.52	37.56

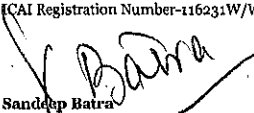
Notes:
 Figures in brackets indicate cash outflow.

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

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

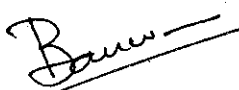
As per our report of even date attached

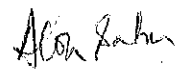
For B S R & Associates LLP
 Chartered Accountants
 ICAI Registration Number-116231W/W-100024


Sandeep Batra
 Partner
 Membership Number - 093320

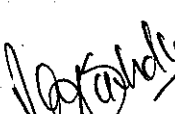
New Delhi, June 25, 2021

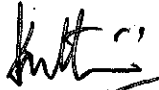
For and on behalf of the Board of Directors of
HCL Infosystems Limited

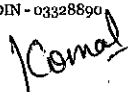

Pawan Kumar Danwar
 Director
 DIN - 06847503


Alok Sahu
 Chief Financial Officer

Noida, June 25, 2021


Raj Sachdeva
 Manager


Kaushik Dutta
 Director
 DIN - 03328890


Komal Butla
 Company Secretary

HCL Infosystems Limited
Standalone Statement of Changes in Equity for the period ended March 31, 2021

a. Equity Share Capital

	Number of Equity Shares	₹/Crores Equity Share Capital
Balance as at 01.04.2019	329,209,928	65.84
Balance as at 31.03.2020	329,209,928	65.84
Balance as at 01.04.2020	329,209,928	65.84
Balance as at 31.03.2021	329,209,928	65.84

b. Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2019	1,194.38	215.83	(1,197.22)	212.99
Loss for the year	-	-	(318.44)	(318.44)
Other comprehensive income for the year	-	-	(0.21)	(0.21)
Balance as at 31.03.2020	1,194.38	215.83	(1,515.87)	(105.66)
Balance as at 01.04.2020	1,194.38	215.83	(1,515.87)	(105.66)
Loss for the year	-	-	(204.76)	(204.76)
Other comprehensive income for the year	-	-	(0.25)	(0.25)
Balance as at 31.03.2021	1,194.38	215.83	(1,720.88)	(310.68)

Securities Premium :

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

General Reserve :

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

Retained Earnings:

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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

Sandeep Batra

Partner

Membership Number - 093320

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

Pawan Kumar Danwar

Director

DIN - 06847503

Kaushik Dutta

Director

DIN - 03328890

Alok Sahu

Chief Financial Officer

Raj Sachdeva

Manager

Komal Bathla

Company Secretary

New Delhi, June 25, 2021

Noida, June 25, 2021

HCL Infosystems Limited
Notes to the Standalone Financial Statements

1. Corporate information

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 25.06.2021.

2. Significant accounting policies

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

2.1 Basis of preparation and measurement

(i) Basis of preparation

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

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

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

(ii) Basis of measurement

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

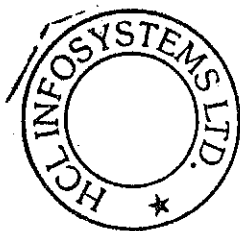
2.2 Recent Indian Accounting Standards (Ind AS)

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

2.3 Use of estimates

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

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

2.4 Critical accounting estimates, assumptions and judgements

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

a) Property, plant and equipment

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

b) Intangibles

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

c) Income taxes

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

d) Contingencies

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

e) Allowance for uncollected trade receivable and advances

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

f) Liquidated damages

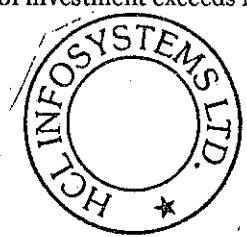
Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actual as levied by customer.

g) Impairment of investments

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

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

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

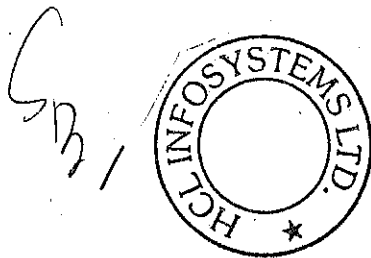
The recoverable amount is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. The calculation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

h) Revenue recognition

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

2.5 Current versus non-current classification

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



HCL Infosystems Limited
Notes to the Standalone Financial Statements

2.6 Property, plant and equipment

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

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

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

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

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

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

2.7 Intangible assets

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

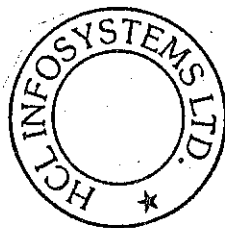
At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated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

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

Softwares

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

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

the period of license.

Intangible Assets are amortised at straight line basis as follows:

Software	1-5 years
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2.8 Leases

As a lessee

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

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

As a lessor

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

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

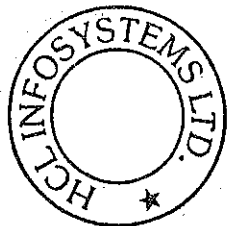
2.9 Financial instruments

A. Financial instruments – Initial recognition and measurement

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

B. Financial assets

1. Subsequent measurement



HCL Infosystems Limited
Notes to the Standalone Financial Statements

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

Debt instrument

a. Financial assets at fair value through profit or loss

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

b. Financial assets measured at amortised cost

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

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

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

Investment in subsidiaries

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

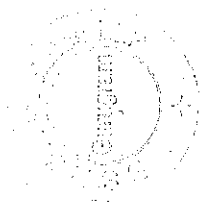
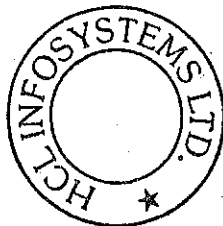
Equity instruments

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

2. Derecognition

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

C. Financial liabilities



HCL Infosystems Limited
Notes to the Standalone Financial Statements

1. Subsequent measurement

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

Financial liabilities measured at amortised cost

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

2. Derecognition

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

D. Offsetting financial instruments

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

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

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

F. Fair value measurement

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

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

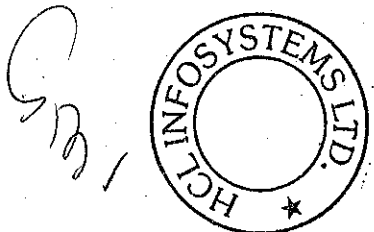
Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

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

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

2.10 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income



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Notes to the Standalone Financial Statements

based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

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

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

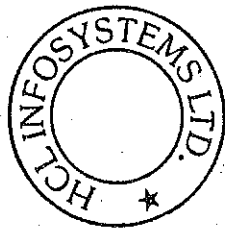
Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or no different tax entities, but they intend to settle current tax liabilities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

2.11 Inventories

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

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

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Notes to the Standalone Financial Statements

completion and the estimated costs necessary to make the sale.

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

2.12 Trade receivables

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

2.13 Cash and cash equivalents

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

2.14 Impairment of assets

a. Financial assets

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

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

b. Non-financial assets

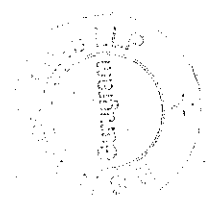
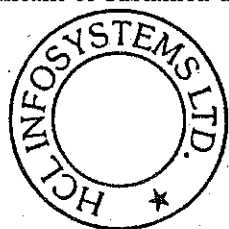
Intangible assets and property, plant and equipment

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

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

c. Investment in subsidiaries

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



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economic environment.

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

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

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

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

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

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

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

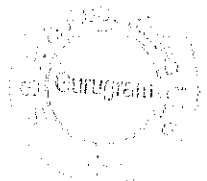
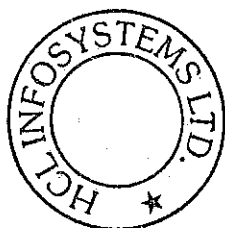
2.16 Trade and other payables

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

2.17 Borrowings

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

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

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

2.18 Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements.

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

2.19 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and



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from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

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

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

2.20 Revenue recognition

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

Sale of products

Timing of recognition

The Company is engaged into the business of –

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

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

Measurement of revenue

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

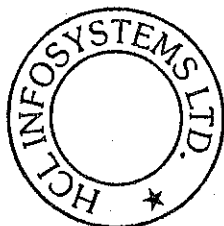
Revenue from services

Timing of recognition

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

Measurement of revenue

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



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

Interest income

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

2.21 Employee benefits

Defined benefit plans

Gratuity

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

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

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

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

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

Provident Fund

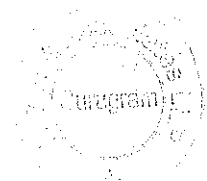
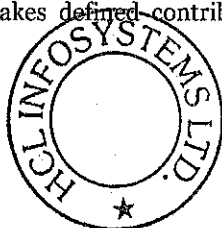
In respect of certain employees, provident fund contributions are made to a multi-employer Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set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

Defined contribution plans

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

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

The Company makes defined contributions to a Superannuation Trust established for the purpose. The



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Company has no further obligation beyond the monthly contributions.

Other benefits

Compensated absences

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

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

Long term employee benefits

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

Employee options

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

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

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

2.22 Borrowing costs

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

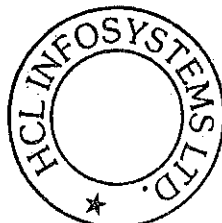
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.23 Earnings per share

- (i) Basic earnings per share

Basic earnings per share is calculated by dividing:



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

(ii) Diluted earnings per share

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

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

2.24 Exceptional items

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

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3 (a) Property, plant and equipment
The changes in carrying value of property, plant and equipment

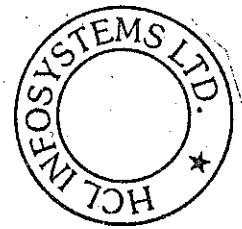
Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 01.04.2020	Additions / Adjustment	Disposal/ Adjustment*	As at 31.03.2021	As at 01.04.2020	Additions / Adjustment	Disposal/ Adjustment*	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	₹/Crores									
Leasehold land	12.33	-	4.31	8.02	0.76	0.16	0.38	0.53	7.49	-
Leasehold improvements	1.47	-	1.47	-	1.47	-	1.47	-	-	-
Freehold land [^]	3.90	-	1.30	2.60	-	-	-	-	2.60	-
Buildings [^]	36.95	-	11.95	25.70	5.04	1.07	2.04	4.07	21.63	-
Plant and machinery	3.49	0.15	2.16	1.47	1.60	0.32	1.60	1.55	0.22	-
Furniture and fixtures	5.93	0.02	1.70	4.26	3.46	0.58	1.32	2.72	1.54	-
Office equipment	2.37	0.01	1.13	1.26	1.58	0.17	1.04	0.72	0.54	-
Vehicles	1.59	-	1.59	-	1.57	-	1.57	-	-	-
Computers	5.79	0.02	0.74	5.06	3.80	0.89	0.72	3.96	1.11	-
Total	73.82	0.20	25.95	48.37	20.22	3.19	10.14	13.25	35.13	19.25

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

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

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 01.04.2019	Additions	Disposal/ Adjustment*	As at 31.03.2020	As at 01.04.2019	Additions	Disposal/ Adjustment*	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
	₹/Crores									
Leasehold land	12.33	-	-	12.33	0.60	0.16	-	0.76	11.57	-
Leasehold improvements	1.47	-	-	1.47	1.04	0.43	-	1.47	-	-
Freehold land [^]	3.90	-	-	3.90	-	-	-	-	3.90	-
Buildings [^]	36.95	-	-	36.95	3.92	1.12	-	5.04	31.91	-
Plant and machinery	3.59	-	0.07	3.49	2.13	0.48	0.07	2.54	0.95	-
Furniture and fixtures	5.97	-	0.04	5.93	2.89	0.61	0.04	3.46	2.47	-
Office equipment	2.34	0.13	0.10	2.37	1.29	0.39	0.10	1.58	0.79	-
Vehicles	1.57	-	0.28	1.59	1.59	0.26	0.28	1.57	0.02	-
Computers	6.05	0.27	0.53	5.79	2.74	1.57	0.51	3.80	1.99	-
Total	74.44	0.40	1.02	73.82	16.20	5.02	1.00	20.22	53.60	35.13

[^]Land and Building at Ambattur amounting to ₹ 3.12 crores (2019 - ₹ 3.16 crores) are pending for registration in the name of the Company.



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HCL Infosystems Limited
Notes to the Standalone Financial Statements
3 (b) Right of use Assets

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 01.04.2020	Additions / Adjustment	Disposal / Adjustment	As at 31.03.2021	As at 01.04.2020	Additions / Adjustment	Disposal / Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	Right of use assets	2.52	-	0.28	2.24	1.68	0.56	-	2.24	-
Total	2.52	-	0.28	2.24	1.68	0.56	-	2.24	-	-

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 01.04.2020	Additions / Adjustment	Disposal / Adjustment	As at 31.03.2020	As at 01.04.2020	Additions / Adjustment	Disposal / Adjustment	As at 31.03.2020	As at 31.03.2020	As at 31.03.2020
	Right of use assets	-	2.52	-	2.52	-	1.68	-	1.68	-
Total	-	2.52	-	2.52	-	1.68	-	1.68	-	0.84

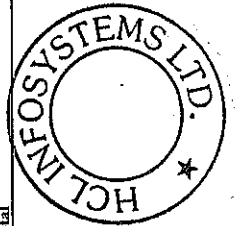
3(C) Capital work-in-progress

Particulars	As at 01.04.2020	Addition	Capitalisation / Adjustment	As at 31.03.2021
	Capital work-in-progress	-	0.27	0.11

4. Intangible Assets
The changes in carrying value of intangible assets

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at 01.04.2020	Additions / Adjustment	Disposal / Adjustment	As at 31.03.2021	As at 01.04.2020	Additions / Adjustment	Disposal / Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	Software	2.50	-	-	2.50	2.14	0.28	-	2.42	-
Total	2.50	-	-	2.50	2.14	0.28	-	2.42	-	0.08

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at 01.04.2019	Additions	Disposal / Adjustment	As at 31.03.2020	As at 01.04.2019	Additions	Disposal / Adjustment	As at 31.03.2020	As at 31.03.2020	As at 31.03.2020
	Software	2.37	0.13	-	2.50	1.43	0.71	-	2.14	-
Total	2.37	0.13	-	2.50	1.43	0.71	-	2.14	-	0.36



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HCL Infosystems Limited

Notes to the Standalone Financial Statements

5 Non-current investments

Unquoted

Investments in equity instruments of subsidiaries (At cost)

	As at 31.03.2021		As at 31.03.2020	
	Units	Amount ₹/Crores	Units	Amount ₹/Crores
Digilife Distribution and Marketing Services Limited	56,050,000	56.05	56,050,000	56.05
Pimpri Chinchwad eServices Limited	42,500	0.04	42,500	0.04
HCL Infotech Limited	220,300	668.46	220,300	668.46
HCL Learning Limited	75,274	166.46	75,274	166.46
		891.01		891.01
Less: Impairment in the value of investment *		890.97		890.97
Total investments in equity instruments of subsidiaries		0.04		0.04

* Impairment allowances for investment in subsidiaries

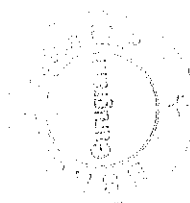
	Amount ₹/Crores	Amount ₹/Crores
-Digilife Distribution and Marketing Services Limited	56.05	56.05
-HCL Infotech Limited	668.46	668.46
-HCL Learning Limited	166.46	166.46
	890.97	890.97

Aggregate book value of unquoted investments (net of impairment)

Aggregate amount of impairment in the value of investments

0.04	0.04
890.97	890.97

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

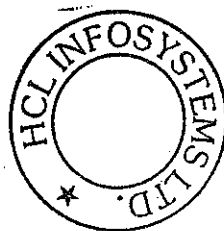
	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
6 Other non-current financial assets		
Security deposits	0.67	0.66
Balance with bank- margin money	13.41	11.96
Business consideration receivable	22.28	22.23
*Balances held as margin money towards obtaining Bank Guarantees.		
	<u>36.36</u>	<u>34.85</u>
7 Deferred tax assets (net)		
Deferred tax assets (refer note 48)	-	-
	<u>-</u>	<u>-</u>
8 Advance income tax asset (net of provisions)		
Advance income tax [Provision for income tax of ₹ 46.65 crores (2020 - ₹ 46.65 crores)]	39.14	44.46
	<u>39.14</u>	<u>44.46</u>
9 Other non-current assets		
Unsecured		
Capital advances	0.01	0.01
Deposits with tax authorities	165.44	196.94
Prepaid expenses	0.01	0.01
	<u>165.46</u>	<u>196.96</u>
10 Inventories		
Stock-in-trade [Including in-transit ₹ 0.04 crores (2020 - ₹ 2.81 crores)]	0.53	24.24
	<u>0.53</u>	<u>24.24</u>
Write - downs of inventories to net realisable value recognised as an expense during the year amounts to Nil (2020 - ₹ 1.54 crores). These were included in changes in value of inventories of stock-in-trade and finished goods' in standalone statement of profit and loss.		
11 Trade receivables		
Unsecured:		
Considered good	14.64	158.38
Credit impaired	<u>21.20</u>	<u>37.98</u>
	35.84	196.36
Less : Allowance for doubtful debts	<u>21.20</u>	<u>37.98</u>
	<u>14.64</u>	<u>158.38</u>



HCL Infosystems Limited
Notes to the Standalone Financial Statements

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
12 Cash and cash equivalents		
Balances with banks		
- Current account	18.52	37.56
Cheques on hand	-	-
Bank deposits with original maturity of three months or less	0.31	0.31
Less: Money held in trust	0.31	0.31
	<u>18.52</u>	<u>37.56</u>
13 Other bank balances		
Deposits with remaining maturity up to 12 months*	1.07	17.10
Balances with banks		
- On margin account^	4.60	5.12
	<u>5.67</u>	<u>22.22</u>
* includes ₹ 1.07 crores (2020- ₹ 17.10 crores) lien marked with Banks.		
^ includes ₹ 1.47 crores (2020- ₹ 1.38 crores) which is held in the name of Karvy Innotech Limited for and on behalf of the Company.		
14 Loans		
Unsecured		
Considered good		
Loans and advances to subsidiaries (refer note 46)	2.81	203.56
Considered doubtful		
Loans and advances to subsidiaries (refer note 46)	70.05	363.04
Less: Allowance for doubtful loans and advances to subsidiaries	70.05	363.04
	<u>2.81</u>	<u>203.56</u>
Note: Unsecured loan given to subsidiaries is repayable on demand and carries interest rate 3.56%-4.00% pa.		
15 Other current financial assets		
Considered good		
Security deposits	0.18	0.32
Claims recoverable from vendor	2.30	29.03
Others* (refer note 46)	3.55	4.98
Considered doubtful		
Others (includes employee advances, insurance claim recoverable)	5.06	1.06
Less: Allowance for doubtful advances	5.06	1.06
Other Financial Assets (refer note 53)	<u>10.25</u>	<u>1.06</u>
	<u>16.28</u>	<u>34.33</u>
* includes ₹ 3.55 crores (2020 - ₹ 2.40 crores) recoverable from related parties and Nil crores (2020 - ₹ 1.47 crores) of business consideration receivable from Quesst Corp Limited.		
16 Other current assets		
Unsecured		
Considered good		
Balances with customs, port trust, excise, sales tax and goods and service tax authorities	6.56	38.21
Advances to creditors	0.20	0.57
Prepaid expenses	3.58	5.05
Others recoverable	2.34	2.60
Considered Doubtful		
Deposits and other advances	2.12	5.78
Less: Allowance for doubtful advances	2.12	5.78
Other current assets (refer note 53)	<u>8.67</u>	<u>5.78</u>
	<u>21.36</u>	<u>46.43</u>

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
17 Share capital		
Authorised		
55,25,00,000 Equity Shares (2020 - 55,25,00,000) of ₹ 2/- each	110.50	110.50
5,00,000 Preference Shares (2020 - 5,00,000) of ₹ 100/- each	5.00	5.00
	115.50	115.50
Issued, Subscribed and Fully Paid up		
32,92,09,928 Equity Shares (2020 - 32,92,09,928) of ₹ 2/- each	65.84	65.84
	65.84	65.84

Notes:

(i) Rights attached to equity shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing Annual General Meeting, except in case of interim dividend.

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

(ii) Shareholders holding more than 5% of the aggregate shares in the Company	Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Corporation Private Limited	164,421,399	49.94	164,421,399	49.94
(b) VAMA Sundari Investments (Delhi) Private Limited	42,603,194	12.94	42,603,194	12.94

(iii) Shares reserved for issue under options:

Information related to Employee Stock Option Plan, including details of options issued, exercised, expired and forfeited during the previous financial year and options outstanding at the end of the reporting period, is set out in note 41.

18 Other Equity

A. Reserve and surplus

(a) Securities premium reserves

Opening balance	1,194.38	1,194.38
Closing Balance	1,194.38	1,194.38

(b) General reserve

Opening balance	215.83	215.83
Closing balance	215.83	215.83

(c) Retained earnings

Opening balance	(1,515.87)	(1,197.22)
Net Loss for the year	(204.76)	(318.44)
Remeasurement of post employment benefit obligation, (net of tax)	(0.25)	(0.21)
Closing balance	(1,720.88)	(1,515.87)
	(310.68)	(105.66)

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	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
19(i) Non-current borrowings		
Unsecured:		
Term Loans		
- From others	59.03	22.75
	<u>59.03</u>	<u>22.75</u>
19(ii) Lease obligation (refer note 42)	-	1.03
	<u>-</u>	<u>1.03</u>

Notes:

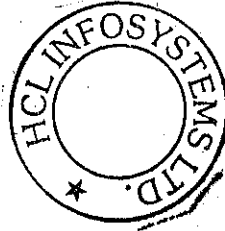
1. Unsecured Term loans from Others amounting to ₹ 122.35 Crores (2020 - ₹ 63.75 Crores), out of which ₹ 63.32 Crores (2020 - ₹ 41.00 Crores) is shown under current maturity of long term debt, is repayable in 12 equal quarterly instalments from the date of the disbursement which carries interest @ 10.75% to 11.24% p.a.

20 Non-current provisions

Provision for gratuity and other employee benefits (refer note 45)
[includes ₹ 0.15 crores (2020 - 0.41) for leave encashment and ₹ 0.04 crores (2020 - ₹ 0.15 crores) other employee benefits]

0.84	2.27
<u>0.84</u>	<u>2.27</u>

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	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
21 Current borrowings		
Secured:		
Loans from banks		
- Term loans	-	362.62
- Cash credits	-	11.29
	-	373.91
Unsecured:		
Loans		
- From others*	99.89	20.69
- From related parties (refer note 46)	315.00	26.00
	414.89	46.69
	414.89	420.60

Notes:

1. Secured Term Loan from Banks amounting to ₹ Nil Crores (2020 - ₹ 50.00 Crores) is secured by way of (1) First pari passu charge on all immovable, movable and intangible assets of the HCL Infosystems Limited and its subsidiaries (2) First pari-passu charge on all current assets of the HCL Infosystems Limited and its subsidiaries (except lease rental receivables), (3) Negative lien on two identified properties. It carries interest @ 8.75% p.a.

2. Short Term Loan of ₹ Nil Crores (2020 - ₹ 74.00 Crores) is secured by way of subservient charge on stock and receivables of the Company and against support from HCL Corporation Private Limited and carries interest @ 9.35% p.a.

3. Secured Loan (Cash Credit and WCDL) from Banks amounting to ₹ Nil Crores (2020 - ₹ 100.78 Crores) are secured by way of (1) First pari passu charge on 9 identified immovable, movable and intangible assets of the HCL Infosystems Limited and its subsidiaries (2) First pari-passu charge on all current assets of the HCL Infosystems Limited and its subsidiaries (except lease rental receivables), (3) Negative lien on two identified properties. (4) Lien on Fixed Deposit of ₹ 1.01 Crs.

4. Unsecured Intercompany Loan from HCL Corporation Private Limited amounting to ₹ 315 Crs (2020 - ₹ 26 Crs) is repayable in 11 months from the date of availment of each tranche, which is interest free.

5. Secured Term loans from Banks amounting to ₹ Nil Crores (2020 - ₹ 149.13 Crores) is secured by way of subservient charge on current assets of the Company and against Support from HCL Corporation Private Limited and lien on fixed deposit for ₹ 16.09 crores is repayable in 1 yearly installments from the date of the disbursement which carries interest @ 8.50% p.a.

6. Short Term Loan of ₹ 99.88 Crores (2020 - NIL Crores) is supported by Corporate Guarantee of ₹ 100 Crs from HCL Corporation Private Limited and is repayable in three equal instalment started from 10th, 11th and 12th month from the date of disbursement and carries interest @ 10.25% p.a.

* Includes ₹ Nil crores (2020- ₹ 20.69 crores) of extended supplier's credit.

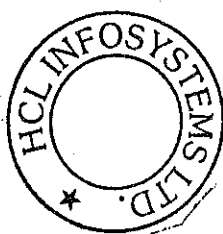
Note: As at 31.03.2021, subsidiaries include HCL Infotech Limited, Digilife Distribution and Marketing Services Limited and HCL Learning Limited.

22 Trade payables (refer note 46)

Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises (refer note 38) and	1.89	6.71
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises [includes acceptance ₹ Nil crores (2020 - ₹ 25.19 crores)]	38.50	341.49
	40.39	348.20

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	As at 31.03.2021 ₹/Crores	As at 31.03.2020 ₹/Crores
23 Other current financial liabilities		
Current maturities of long-term debts (refer note 19(i))	63.32	41.00
Interest accrued but not due on borrowings	2.35	2.67
Other payable to related parties (refer note 46)	-	14.11
Deposits	1.34	3.11
Unpaid dividends/ deposits*	-	0.47
Employee benefits payable	6.37	14.82
Capital creditors	0.20	0.20
Advances received against sale of HCL Infotech Limited (refer Note 49)	2.00	-
	<u>75.58</u>	<u>76.38</u>
* includes outstanding matured deposits of ₹ Nil crores (2020 - ₹ 0.47 crores) transferred to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013, during the current year.		
24 Other current liabilities		
Deferred revenue	2.62	1.28
Advances received from customers	3.61	6.93
Others	1.86	3.03
Statutory dues payable	1.14	3.39
Advances received against Non-current assets held for sale	4.25	-
	<u>13.48</u>	<u>14.63</u>
25 Current provisions		
Provision for gratuity and other employee benefits (refer note 45)#	3.46	5.29
Provision for litigation (refer note 37 (c))	8.38	6.50
	<u>11.84</u>	<u>11.79</u>

[# includes ₹ 0.24 Crores (2020- ₹ 0.50 crores) for provision for leave encashment and ₹ 2.07 Crores (2020 - ₹ 3.13 Crores) for other employee benefits]

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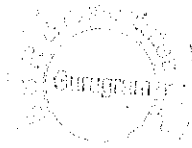
HCL Infosystems Limited

Notes to the Standalone Financial Statements

	Year ended 31.03.2021 ₹/Crores	Year ended 31.03.2020 ₹/Crores
26 Revenue from operations		
Sale of products	217.08	1,642.97
Sale of services	0.28	5.16
	<u>217.36</u>	<u>1,648.13</u>
27 Other income		
Interest income from financial asset at amortised cost		
- On fixed deposits (gross)	2.25	4.87
- On intercompany deposits	0.04	10.07
Net profit on sale of property, plant and equipment	0.19	0.09
Gain on foreign exchange fluctuation	0.22	1.14
Provisions/liabilities no longer required written back	14.88	1.95
Scrap sale	0.14	0.13
Miscellaneous income	5.91	11.40
	<u>23.63</u>	<u>29.65</u>
28 Changes in inventories of stock-in-trade		
Closing balance		
- Stock-in-trade	0.53	24.24
	<u>0.53</u>	<u>24.24</u>
Opening balance		
- Stock-in-trade	24.24	85.30
	<u>24.24</u>	<u>85.30</u>
Changes in inventories of stock-in-trade	<u>23.71</u>	<u>61.06</u>
29 Other direct expenses		
Purchase of services	0.41	6.33
Spares and stores consumed	0.37	0.56
	<u>0.78</u>	<u>6.89</u>
30 Employee benefits expense		
Salaries, wages, bonus and gratuity (refer note 45)	27.32	54.42
Contribution to provident and other funds (refer note 45)	0.86	1.65
Staff welfare expenses	0.20	0.47
	<u>28.38</u>	<u>56.54</u>
31 Finance costs		
Interest*	46.88	70.91
Other borrowing costs	2.62	13.36
	<u>49.50</u>	<u>84.27</u>

*includes ₹ 0.04 crores (2020 - ₹ 0.18) interest on lease obligations (refer note 42)

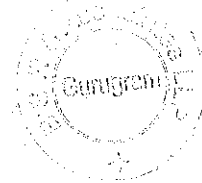
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HCL Infosystems Limited

Notes to the Standalone Financial Statements

	Year ended 31.03.2021 ₹/Crores	Year ended 31.03.2020 ₹/Crores
32 Other expenses		
Rent (refer note 42)	2.30	5.90
Rates and taxes	27.25	12.39
Printing and stationery	0.22	0.30
Communication	0.55	0.70
Travelling and conveyance	0.02	3.37
Packing, freight and forwarding	0.61	2.18
Legal, professional and consultancy charges (refer note 40)	16.16	18.35
Retainership expenses	5.47	5.79
Training and conference	0.01	0.38
Office electricity and water	1.72	2.93
Insurance	3.68	6.05
Advertisement, publicity and entertainment	0.42	0.21
Hire charges	0.02	0.20
Commission on sales	0.17	0.45
Bank charges	1.16	4.57
Allowance for doubtful debts	3.28	4.09
Property, plant and equipment written-off	0.40	0.12
Repairs		
- Plant and machinery	0.00	0.27
- Buildings	0.06	0.53
- Others	8.13	3.16
Miscellaneous	2.82	2.70
	<u>74.45</u>	<u>74.64</u>
Less: Operating cost recovered from subsidiaries	<u>7.46</u>	<u>7.83</u>
	<u>66.99</u>	<u>66.81</u>



Financial Instruments and Risk Management

33 Fair Value Measurements

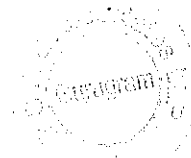
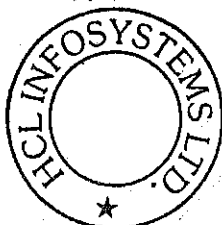
The carrying value of financial instruments by categories are as under :

Particulars	Notes	₹/Crores				
		At cost	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets						
Non-current assets						
(i) Investment in subsidiaries	5	0.04 (0.04)	-	-	0.04 (0.04)	0.04 (0.04)
(ii) Others	6	-	-	36.36 (34.85)	36.36 (34.85)	36.36 (34.85)
		0.04 (0.04)	-	36.36 (34.85)	36.40 (34.89)	36.40 (34.89)
Current assets						
(i) Trade receivables	11	-	-	14.64 (158.38)	14.64 (158.38)	14.64 (158.38)
(ii) Cash and cash equivalents	12	-	-	18.52 (37.56)	18.52 (37.56)	18.52 (37.56)
(iii) Bank balances other than (ii) above	13	-	-	5.67 (22.22)	5.67 (22.22)	5.67 (22.22)
(iv) Loans	14	-	-	2.81 (203.56)	2.81 (203.56)	2.81 (203.56)
(v) Others	15	-	-	16.28 (34.33)	16.28 (34.33)	16.28 (34.33)
		-	-	57.91 (456.05)	57.91 (456.05)	57.91 (456.05)
		(-)	(-)	(456.05)	(456.05)	(456.05)
Financial liabilities						
Non-current liabilities						
(i) Borrowings	19(i)	-	-	59.03 (22.75)	59.03 (22.75)	59.03 (22.75)
(ii) Lease obligation	19(ii)	-	-	(1.03)	(1.03)	(1.03)
		-	-	59.03 (23.78)	59.03 (23.78)	59.03 (23.78)
		(-)	(-)	(23.78)	(23.78)	(23.78)
Current liabilities						
(i) Borrowings	21	-	-	414.89 (420.60)	414.89 (420.60)	414.89 (420.60)
(ii) Trade payables	22	-	-	40.39 (348.20)	40.39 (348.20)	40.39 (348.20)
(iii) Other financial liabilities	23	-	-	75.58 (76.38)	75.58 (76.38)	75.58 (76.38)
		-	-	530.86 (845.18)	530.86 (845.18)	530.86 (845.18)
		(-)	(-)	(845.18)	(845.18)	(845.18)

Note: Previous year figures are given in brackets.

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34 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

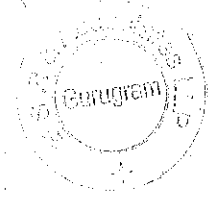
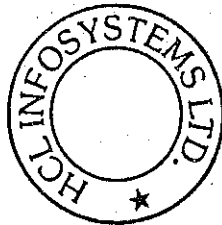
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Investments, trade receivables, cash and cash equivalents, bank balances, loans and other financial assets	Ageing analysis, credit appraisal	Diversification of bank deposits, investments, credit limits and letters of credit
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities and liquid investments
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Indian rupee (INR)	Hedging percentage sensitivity analysis	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Replacement of high cost debt with low cost debt

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

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HCL Infosystems Limited

Notes to the Standalone Financial Statements

Financial Risk Management**Credit Risk**

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

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

The credit risk is managed by the Company through credit approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of accounts receivables. Individual limits are set accordingly by the Company's credit control department.

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

Following table provides agewise breakup of receivables

	As at 31.03.2021	₹/Crores As at 31.03.2020
Not Due	7.88	47.64
0-90 days past due	3.57	72.52
91-180 days past due	0.22	14.72
181-365 days past due	3.12	22.33
1 - 2 years past due	0.71	12.09
More than 2 years past due	<u>20.34</u>	<u>27.06</u>
	<u>35.84</u>	<u>196.36</u>

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:

	As at 31.03.2021	₹/Crores As at 31.03.2020
Balance at the beginning	37.98	35.93
Add: Provided during the year	3.28	4.09
Less: Amounts written off	<u>(20.06)</u>	<u>(2.04)</u>
Balance at the end	<u>21.20</u>	<u>37.98</u>
Weighted average loss rate (in percentage)	59.15%	19.34%

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HCL Infosystems Limited

Notes to the Standalone Financial Statements

Financial Risk Management**Liquidity risk:**

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

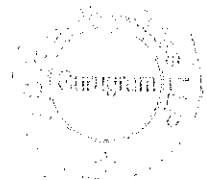
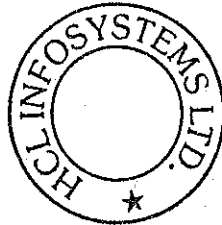
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Particulars	₹/Crores					
	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
Non-derivatives						
Borrowings						
-From Banks	-	-	-	-	-	-
	(373.91)	(11.29)	(362.62)	(0.00)	-	-
-From Others	537.25	-	478.21	59.03	-	-
	(110.44)	-	(87.69)	(22.75)	-	-
Lease obligation	-	-	-	-	-	-
	(1.03)	-	-	(1.03)	-	-
Trade payables	40.39	-	40.39	-	-	-
	(348.20)	-	(348.20)	-	-	-
Other financial liabilities						
-Deposits	1.34	-	1.34	-	-	-
	(3.11)	-	(3.11)	-	-	-
-Interest accrued but not due on borrowings	2.35	-	2.35	-	-	-
	(2.67)	-	(2.67)	-	-	-
-Other Payable to related parties	-	-	-	-	-	-
	(14.11)	-	(14.11)	-	-	-
-Capital Creditors	0.20	-	0.20	-	-	-
	(0.20)	-	(0.20)	-	-	-
-Unpaid dividends/ deposits	-	-	-	-	-	-
	(0.47)	-	(0.47)	-	-	-
-Employee Benefits Payable	6.37	-	6.37	-	-	-
	(14.82)	-	(14.82)	-	-	-
-Others	2.00	-	2.00	-	-	-
	(0.00)	-	(0.00)	-	-	-
Total non-derivative liabilities	589.90	-	530.85	59.03	-	-
	(868.96)	(11.29)	(833.89)	(23.78)	(0.00)	(0.00)

Note: Previous year figures are given in brackets.

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Financial Risk Management
Market Risk

(i) Interest rate risk

The Company's main interest rate risk arise from borrowings with variable interest rates, which exposes the Company to cash flow interest rate risk. As at 31.03.2021, the Company has Nil (2020- ₹ 11.29 crores) of borrowings with variable interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing of fixed rate and floating rate financial instruments in its total portfolio.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
Variable rate borrowings	-	11.29
Fixed rate borrowings	537.25	473.06
Total borrowings	537.25	484.35

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

	31.03.2021			31.03.2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans, Cash credits		-		10.03%	11.29	2.33%
Net exposure to cash flow interest rate risk		-			11.29	

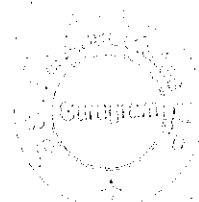
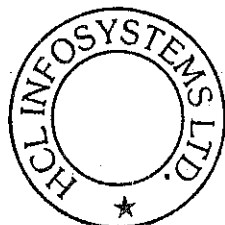
(b) Sensitivity

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

	Impact on loss after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Interest rates - increase by 10 basis points	-	(0.01)	-	(0.01)
Interest rates - decrease by 10 basis points	-	0.01	-	0.01

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HCL Infosystems Limited

Notes to the Standalone Financial Statements

Financial Risk Management

Market Risk

(ii) Foreign currency risk

The Company's major operations are in India and are in INR and therefore, the Company is not exposed to significant foreign currency risk. The Company evaluates the exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies which are approved by the senior management and the Audit Committee, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

₹/Crores

	USD	EUR	GBP	SGD
Financial Assets				
Trade receivables	8.60 (7.75)	-	-	- (2.67)
Cash and cash equivalents	- (0.00)	-	-	0.02 (0.06)
Net exposure to foreign currency risk (assets)	8.60 (7.75)	-	-	0.02 (2.73)
Financial Liabilities				
Trade Payables	2.92 (10.68)	-	-	-
Derivative liabilities				
Foreign exchange forward contracts	- (-7.53)	-	-	-
Net exposure to foreign currency risk (liabilities)	2.92 (3.15)	-	-	-

Note: Previous year figures are given in brackets.

(a) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures relating to financial instruments to reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
USD sensitivity	5%	0.28	0.23	(0.28)	(0.23)
EUR sensitivity	5%	-	(0.00)	-	0.00
GBP sensitivity	5%	-	(0.00)	-	0.00
SGD sensitivity	5%	0.00	0.14	(0.00)	(0.14)

35 Capital Management

Risk Management

The Company's objective when managing capital are to safeguard their ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure as at 31.03.2021 and 31.03.2020 are as follows:

₹/Crores

	As at 31.03.2021	As at 31.03.2020
Total Debt	537.25	484.35
Equity	(244.83)	(39.82)
Capital and net debt	292.41	444.53
Gearing ratio	183.73%	108.96%

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36 Exceptional items :

Particulars	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
a. Loss on conversion of loan given to HCL Infotech Limited into Optionally Convertible Debentures (OCD)	(6.31)	-
b. Provision against loan given to HCL Infotech Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited	(81.78)	(117.36)
c. Provision for loss in subsidiary	(2.79)	-
d. Profit on sale of properties	-	15.65
Total	(90.88)	(101.71)

a) The company has recognised a loss on of ₹ 6.31 Crores, upon conversion of net balance of unsecured loan, into Optionally Convertible Debentures. (refer note 52).

b) The Company has made provision of ₹ 84.57 crores (FY 2020 - ₹ 117.36 crores) against loan given to HCL Infotech Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited. The Company, considering that HCL Infotech Limited has negative net worth as on 31.03.2021, due to continuous loss incurred by the entity and based on future plan of this entity, may not be able to recover the loan given to HCL Infotech Limited upto the value of its negative net worth. Further, in case of HCL Learning and Digilife Distribution and Marketing Services Limited, the Company doesn't expect significant operation over the next period, accordingly management based on future cash flow projection has considered these loan as doubtful and created a provision to the extent it is not recoverable.

c) The Company has made provision of ₹ 2.79 Crores, on account of accumulated losses and erosion of net worth of HCL Infotech Limited, as at the balance sheet date.

d) The company has recognised a profit on the sale of properties of ₹ 15.65 crores in previous financial year.

37 a) Contingent liabilities :

Claims against the Company not acknowledged as debts:

Particulars	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
Sales tax*	120.01	288.82
Excise*	459.78	151.73
Income tax	30.69	30.79
Industrial disputes, civil suits and consumer disputes	2.35	1.49

* Includes sum of ₹ 135.38 crores (2020 - ₹ 113.73 crores) deposited by the Company against the above.

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

b) Corporate guarantees :

Corporate guarantee of ₹ 38.35 crores (2020- ₹ 157.44 crores) was given to banks and financial institutions for working capital facilities sanctioned to subsidiaries of which the total amount utilised as at 31.03.2021 is ₹ 0.98 crores (2020 - ₹ 3.19 crores).

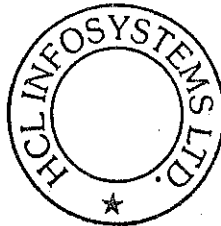
c) Other litigations :

(i) The Company has been named in a supplementary charge sheet filed with the Court with respect to a contract awarded to the Company in 2009 by the UP state Government, amounting to ₹ 2.94 crores (2020 - ₹ 2.94 crores), for the supply of computer hardware and related services under the National Rural Health Mission and therefore summons have been issued by the Court. CBI special court has framed charges against the company and its employee. Currently the proceedings has been stayed by Supreme Court. The management is of the view that the company has not engaged in any wrong doing.

(ii) As at 31.03.2021, the Company has certain sales tax and other indirect tax litigation matters against which provision amounts to ₹ 8.38 crores (2020 - ₹ 6.50 crores) is outstanding. Provision amounting to ₹ 2.72 crores (2020 - ₹ 3.57 crores) was created and ₹ 0.84 crores (2020 - ₹ 1.92 crores) was utilized during the year.

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38 Disclosure of Micro and Small Enterprises based on information available with the Company:

	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
a. (i) Principal amount remaining unpaid to any supplier as at the end of the year	1.89	6.71
(ii) Interest due on the above amount	0.10	0.12
b. (i) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act)	-	-
(ii) Amount of principal payments made to the suppliers beyond the appointed day during the year	28.89	53.91
c. Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act	-	-
d. Amount of interest accrued and remaining unpaid at the end of the year	0.54	1.22
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

39 As per provisions of Section 135 of the Companies Act, 2013, the Company has to provide at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The Company was not required to spend/contribute to CSR activity during the year as per Section 135 of the Companies Act, 2013 as average net profit for the last three financial year is negative.

40 Remuneration to Auditors*:

	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
a. Statutory audit	0.50	0.72
b. Limited Review	0.24	0.51
c. Tax audit fees /certifications	0.08	0.12
d. Out of pocket expenses	0.02	0.13
Total	0.84	1.48

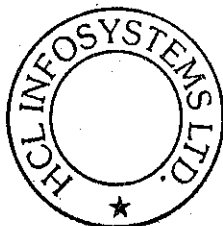
* excluding GST as applicable

41 Employee Stock Option Plan (ESOP):

The Company had previously granted options to eligible employees under the Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005, which were to be vested in a graded manner over a period of 42 and 60 months respectively from the date of grant and are to be exercised with in a maximum period of 5 years from the date of vesting. The shareholders of the Company in the last year's Annual General Meeting held on 29th September 2020 had approved the amendment of Employee Stock Option Scheme 2000 (Scheme 2000) and Employee Stock Based Compensation Plan 2005 (Scheme 2005) by inserting the "Amendment and termination clause" in the schemes, thereby Board of Directors of the Company had terminated these schemes.

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42 Leases:

a) Cancelable Operating Leases

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of the assets given on operating lease are as below:

Particulars	As at	Gross Block	Accumulated Depreciation	Net Block	₹/Crores
					Depreciation Expense
Freehold Land	31.03.2021	1.87	-	1.87	-
	31.03.2020	(1.87)	-	(1.87)	-
Building	31.03.2021	13.47	1.46	12.01	0.25
	31.03.2020	(13.47)	(1.19)	(12.28)	(0.23)
Plant and Machinery	31.03.2021	2.16	1.93	0.23	0.23
	31.03.2020	(2.16)	(1.71)	(0.45)	(0.36)
Furniture and Fixtures and Office Equipments	31.03.2021	5.22	3.31	1.92	0.48
	31.03.2020	(5.22)	(2.82)	(2.40)	(0.53)
Computers	31.03.2021	0.16	0.16	0.00	-
	31.03.2020	(0.16)	(0.16)	(0.00)	(0.00)
TOTAL	31.03.2021	22.88	6.85	16.03	0.96
	31.03.2020	(22.88)	(5.88)	(17.00)	(1.12)

Note: Previous year figures are given in brackets.

b) As a Lessee

The Company has taken godown premises under lease. These are generally not non-cancellable leases having unexpired period upto three years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement. In terms of criteria specified in Ind AS 116 Leases, for some of these leases (i.e. leases other than with short term period or low value assets), present value of all future lease payments has been recognised as right-of-use assets and corresponding lease liabilities with the charge for depreciation on right-of-use assets and interest on lease liabilities in the statement of profit and loss during the previous year (refer note 3 & 31).

And for other leases, yearly lease payments is expensed off on straight line basis over lease term as rent expenses (refer note 32).

Payments recognised as expense

Particulars	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation expense - right-of-use assets (refer note 3)	0.56	1.68
Interest on lease liabilities (refer note 31)	0.04	0.18
Rent expense - short term leases (refer note 32)	2.30	5.90

Total cash outflow for leases during the year ended 31 March 2021 is ₹ 1.03 crores (2020 - ₹ 1.49 crores).

43 Earnings per share (EPS)

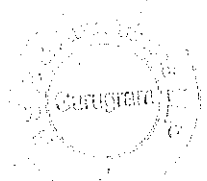
Basic earnings per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The loss considered in ascertaining the Company EPS represent loss for the year after tax. Diluted EPS is computed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

Particulars	Year ended	
	31.03.2021	31.03.2020
Loss after tax (₹/Crores)	(204.76)	(318.44)
Weighted average number of shares outstanding in computation of Basic EPS	329,209,928	329,209,928
Weighted average number of shares outstanding in computation of Diluted EPS	329,209,928	329,209,928
Basic and diluted (of ₹ 2/- each)	(₹6.22)	(₹9.67)

44 Segment Reporting

The Company publishes standalone financial statements along with the consolidated financial statements in the annual report. In accordance with Indian Accounting Standard 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

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45 Employee benefits

(a) Defined Contribution

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

	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
(i) Employers Contribution to Superannuation Fund*	0.14	0.20
(ii) Employers Contribution to National Pension Scheme*	0.06	0.10
(iii) Employers contribution to Employee State Insurance*	0.00	0.01
(iv) Employers contribution to Employee's Pension Scheme 1995*	0.25	0.52

* Included in contribution to provident and other funds under Employee benefits expense (refer note 30).

(b) Defined Benefit

- (i) Gratuity
- (ii) Provident Fund

The Company contributes to the employee provident fund trust "Hindustan Computers Limited Employees Provident Fund Trust" which is managed by the Company. The Company's Provident Fund Trust is exempted under Section 17 of Employees' Provident Fund Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. As per Ind AS - 19, Employee Benefits, provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The Trust includes employees of the Company as well as of its Indian wholly owned subsidiaries. In view of the same, it is a multi employer defined benefit plan.

The Trust has been investing the provident fund contributions of the employees of its Indian wholly owned subsidiaries in a composite manner and the same cannot be separately identified entity wise.

In view of the same an actuarial valuation, in accordance with the Ind AS-19, was carried out at composite level. As per actuarial certificate there is no shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the "liability on account of interest rate guarantee" is nil.

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

	Gratuity		Provident Fund	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Discount rate (per annum)	4.59%	5.66%	-	-
Rate of increase in compensation levels	5.00%	5.00%	-	-
Rate of return on plan assets	-	-	-	-
Expected statutory interest rate	-	-	8.50%	8.50%
Expected short fall in interest earnings	-	-	0.05%	0.05%
Expected average remaining working lives of employees (years)	10.25	14.00	10.25	14.00

As of 31.03.2021, every 0.5 percentage point increase / decrease in discount rate will affect gratuity benefit obligation by approximately by ₹ 0.01 crores.

As of 31.03.2021, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect gratuity benefit obligation by approximately ₹ 0.01 crores.

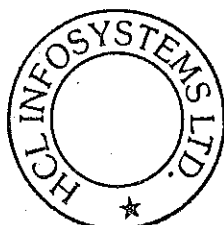
The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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	₹/Crores			
	As at 31.03.2021		As at 31.03.2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	3.37	133.22	3.86	148.80
Current service cost	0.09	1.06	0.27	1.55
Interest cost	0.19	10.95	0.29	10.86
Acquisition adjustment	-	-	-	-
Total amount recognised in profit or loss	0.28	12.01	0.56	12.41
Actuarial (gain)/loss from change in demographic assumptions	0.01	-	(0.04)	-
Actuarial (gain)/loss from change in financial assumptions	0.02	0.00	0.22	0.00
Experience (gain)/loss	(0.28)	0.09	0.03	2.77
Total amount recognised in other comprehensive income	(0.25)	0.09	0.21	2.77
Benefits paid	(1.97)	(19.84)	(1.26)	(36.98)
Settlements/transfer in	-	1.36	-	1.31
Contribution by plan participants	-	3.82	-	4.91
Present value of obligation at the end of the year	1.44	130.66	3.37	133.22

	As at 31.03.2021	As at 31.03.2020
	Provident Fund	Provident Fund
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	152.56	169.71
Expected return on plan assets	12.79	13.37
Contribution by employer	1.06	1.55
Settlements/transfer in	1.36	1.31
Contribution by employee	3.82	4.91
Benefit paid	(19.84)	(36.98)
Actuarial gain/(loss) on plan assets	-	-
Difference in opening	-	(1.31)
Fair value of plan assets at the end of the year	151.75	152.56

	As at 31.03.2021		As at 31.03.2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Cost recognised for the year :			
Current service cost	0.09	-	0.27	-
Company contribution to provident fund @	-	1.06	-	1.55
Past service cost	-	-	-	-
Interest cost	0.19	-	0.29	-
Actuarial (gain)/loss	(0.25)	-	0.21	-
Interest guarantee liability	-	-	-	-
Shortfall in fund	-	-	-	-
Net cost recognised for the year*	0.04	1.06	0.77	1.55

* Included in salaries, wages, bonus and gratuity for gratuity and contribution to provident and other funds for provident fund under employee benefits expense (refer note 30) and other comprehensive income.

@ The Company's contribution to provident fund for the year is ₹ 0.40 crores (2020 - ₹ 0.82 crores) and the remaining relates to other related companies as mentioned above.

The major categories of plan assets are as follows:

	As at 31.03.2021	As at 31.03.2020
	Unquoted in %	Unquoted in %
Central government securities	41.62	42.33
State government securities	19.90	19.12
Public sector bonds	25.31	27.56
Special deposit scheme	10.65	10.57
Equity	0.55	0.21
Bank balance	1.97	0.21
Total	100.00	100.00

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

	Gratuity	
	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
Present value of the obligation as at the end of the year	1.44	3.37
Fair value of plan assets at the end of the year	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(1.44)	(3.37)
Experience adjustment in plan liabilities	(0.28)	0.03
Experience adjustment in plan assets	-	-
	Provident Fund	
	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
Present value of the obligation as at the end of the year	(130.66)	(133.22)
Fair value of plan assets at the end of the year	151.75	152.56
Assets/(Liabilities) recognised in the Balance Sheet	**	**

The Company expects to pay ₹ 0.80 crores in contributions to its defined benefits plan in next financial year.

** As there is surplus, the same has not been recognised in Balance Sheet.

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

46 Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Corporation Private Limited

b) List of parties where control exists/existed:

Subsidiaries:

HCL Infotech Limited

HCL Learning Limited

Digilife Distribution and Marketing Services Limited

Pimpri Chinchwad eServices Limited (holding 85% of shareholding)

HCL Insys Pte. Limited, Singapore (till 15.11.2019)

HCL Investments Pte. Limited, Singapore

Nurture Technologies FZE, (formerly known as HCL Infosystems MEA FZE), Dubai

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

HCL Technologies Limited

HCL Comnet Limited

HCL Talent Care Private Limited

Koura & Co.

VAMA Sundari Investments (Delhi) Private Limited

Shiv Nadar Foundation

Naksha Enterprises Private Limited

d) Key Management Personnel:

Mr. Kapil Kapur -CFO (Mr. Kapil Kapur resigned from the position of CFO w.e.f. 31st May, 2021 and Mr. Alok Sahu was appointed as CFO w.e.f. 1st June, 2021)

Mr. Sushil Jain- Company Secretary (Mr. Sushil Jain was superannuated w.e.f. closing hours of 31st March, 2021 and Ms. Komal Bathla was appointed as Company Secretary w.e.f. 1st April, 2021)

Mr. Raj Sachdeva was appointed as the Manager of the Company w.e.f. 1st May 2021, subject to the approval of shareholders in the Annual General Meeting to be held in Financial Year 2021-22

Mr. Vinod Pulyani had been appointed as the Manager of the Company w.e.f. 29th September 2020 subject to the approval of the shareholders in the next Annual General Meeting. He subsequently resigned from the position of the manager of the Company w.e.f. 30th April 2021.

Mr. Rangarajan Raghavan (Managing Director, till 31.03.2020)

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Summary of Related Party disclosures

(₹/Crores)

A. Transactions (YTD)	Company having substantial interest*#		Subsidiaries		Others		Key Management Personnel		Total	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Sales and Related Income	-	0.03	11.55	15.89	17.23	191.89	-	-	28.78	207.81
- HCL Corporation Limited	-	0.03	-	-	-	-	-	-	-	-
- HCL Comnet Limited	-	-	-	-	-	7.91	-	-	-	-
- Digilife Distribution and Marketing Services Ltd.	-	-	11.55	15.89	-	-	-	-	-	-
- HCL Technologies Limited	-	-	-	-	17.14	182.20	-	-	-	-
- Shiv Nadar Foundation	-	-	-	-	-	0.62	-	-	-	-
- HCL Foundation	-	-	-	-	-	0.28	-	-	-	-
-SSN Trust	-	-	-	-	0.02	0.38	-	-	-	-
-KRN Education Private Limited	-	-	-	-	0.04	0.26	-	-	-	-
-HCL Avitas Private Limited	-	-	-	-	-	0.18	-	-	-	-
-HCL Training & Staffing Services Private Limited	-	-	-	-	-	0.07	-	-	-	-
-Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	0.03	0.03	-	-	-	-
-HCL Corporation Private Limited	-	-	-	-	-	0.01	-	-	-	-
Assets Sold	-	-	0.05	-	-	-	-	-	0.05	-
-HCL Infotech Limited	-	-	0.05	-	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	0.14	-	-	-	0.14
- HCL Software Products Ltd.	-	-	-	-	-	0.14	-	-	-	-
Purchase of Fixed Assets	-	-	0.02	0.01	-	-	-	-	0.02	0.01
-HCL Infotech Limited	-	-	0.02	-	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	-	0.01	-	-	-	-	-	-
Impairment allowance provided on loan and advances	-	-	81.78	117.36	-	-	-	-	81.78	117.36
- HCL Infotech Limited	-	-	73.12	80.48	-	-	-	-	-	-
- HCL Learning Limited	-	-	7.16	36.88	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	1.50	-	-	-	-	-	-	-
Current borrowings taken (net)	289.00	26.00	-	-	-	-	-	-	289.00	26.00
- HCL Corporation Pvt. Ltd.	289.00	26.00	-	-	-	-	-	-	289.00	26.00
Loans and Advances Refunded/Adjusted (Net)	-	-	699.55	276.72	-	-	-	-	699.55	276.72
- HCL Infotech Limited %	-	-	699.55	-	-	-	-	-	-	-
- HCL Learning Limited	-	-	-	276.72	-	-	-	-	-	-
Loans and Advances Given (Net)	-	-	5.39	122.33	-	-	-	-	5.39	122.33
- HCL Infotech Limited	-	-	-	122.31	-	-	-	-	-	-
- HCL Learning Limited	-	-	1.13	-	-	-	-	-	-	-
- Pimpri Chinchwad eServices Ltd.	-	-	0.00	0.02	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	4.26	-	-	-	-	-	-	-
Interest Charged on Loans & Advances Given	-	-	0.04	10.07	-	-	-	-	0.04	10.07
- HCL Infotech Limited	-	-	-	-	-	-	-	-	-	-
- HCL Learning Limited	-	-	-	10.07	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	0.04	0.00	-	-	-	-	-	-
Interest Payable on Loans & Advance Taken	2.07	1.80	-	-	-	-	-	-	2.07	1.80
- HCL Corporation Pvt. Ltd.	2.07	1.80	-	-	-	-	-	-	-	-
Rent Received	-	-	-	-	2.49	3.38	-	-	2.49	3.38
- HCL Technologies Limited	-	-	-	-	1.65	2.08	-	-	-	-
- HCL Comnet Limited	-	-	-	-	-	0.30	-	-	-	-
- HCL Training & Staffing Services Pvt. Ltd.	-	-	-	-	0.83	1.00	-	-	-	-
Remuneration	-	-	-	-	-	-	2.09	3.42	2.09	3.42
- Mr. Rangarajan Raghavan	-	-	-	-	-	-	-	1.48	-	-
- Mr. Sushil Jain	-	-	-	-	-	-	0.59	0.60	-	-
- Mr. Kapil Kapur	-	-	-	-	-	-	1.50	1.34	-	-
Reimbursements towards expenditure	-	-	-	-	-	-	-	-	-	-
a) Received	-	-	12.65	12.24	-	-	-	-	12.65	12.24
- HCL Infotech Limited	-	-	12.63	8.56	-	-	-	-	-	-
- HCL Learning Limited	-	-	0.00	0.44	-	-	-	-	-	-
- HCL Insys Pte Limited, Singapore**	-	-	-	2.46	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Ltd.	-	-	0.02	0.71	-	-	-	-	-	-
- Nurture Technologies FZE, Dubai (formerly known as HCL Infosystems MEA FZE)	-	-	-	0.06	-	-	-	-	-	-
b) Paid	0.50	0.78	-	-	-	-	-	-	0.50	0.78
- HCL Corporation Pvt. Ltd.	0.50	0.78	-	-	-	-	-	-	-	-
B. Amount due to / from related parties	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries (Gross)	-	-	891.01	891.01	-	-	-	-	891.01	891.01
Impairment allowance on investment in subsidiaries	-	-	(890.97)	(890.97)	-	-	-	-	(890.97)	(890.97)
Trade Receivables	-	-	5.31	4.68	1.45	38.96	-	-	6.76	43.64
Current borrowings	315.00	26.00	-	-	-	-	-	-	315.00	26.00
Loans and Advances (Gross)	-	-	72.86	566.60	-	-	-	-	72.86	566.60
Impairment allowance on loan and advances	-	-	(70.05)	(363.04)	-	-	-	-	(70.05)	(363.04)
Trade Payables	-	0.22	2.24	137.35	0.37	0.49	-	-	2.61	138.06
Investment in Optionally Convertible Debentures (OCD) S	-	-	18.92	-	-	-	-	-	18.92	-
Other Recoverable	0.07	0.07	3.61	2.33	-	-	-	-	3.68	2.40
Other Payables	-	-	-	14.11	-	-	-	-	-	14.11

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

* Prepared till 31st May, 2018 as the Company has signed Share Purchase Agreement and Debenture Subscription Agreement on 31st May, 2018.

** Prepared till 15th Nov, 2019 as the Company has transferred its shares to other party on 15th Nov, 2019.

*# Corporate guarantee utilised ₹ 100 crores (2020 - ₹ 224 crores), also refer note 57.

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

% Includes adjustment of ICD amounting to ₹ 400 crores against subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of ₹1000 each and interest waiver of ₹ 228.58 crores (Refer Note 50 & 52)

\$ OCD is accounted at Fair value of underlying book receivables of ₹ 18.92 crores and said book receivables is recognized in the company financials in lieu of OCD amount, as per the requirements of pass through arrangement under IND AS 109 Financial Instruments (Refer Note 53)

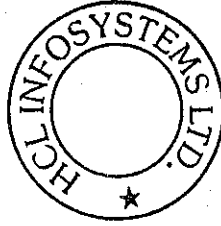
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	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
Compensation of key management personnel of the Company*		
Short-term employee benefits	2.09	3.42
Total compensation paid to key management personnel	2.09	3.42

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.
* Post employment benefit comprising gratuity, and compensated absences are not disclosed as these are determined for the Company as a whole.

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HCL Infosystems Limited
Notes to the Standalone Financial Statements

47 Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

Disclosure of amounts at the year end and the maximum amount of loans/advances/investments outstanding during the year ended;

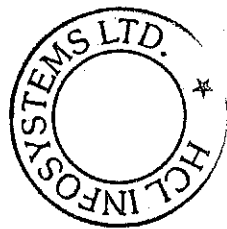
	As at 31.03.2021					As at 31.03.2020		
	Pimpri Chinchwad eServices Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Pimpri Chinchwad eServices Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
a. Name								
b. Balance outstanding at the year end	0.05	4.26	21.83	48.83	0.05	721.37	47.70	
c. Maximum amount outstanding	0.05	4.26	740.86	48.83	0.05	721.37	342.33	

	As at 31.03.2021			As at 31.03.2020		
	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
a. Name						
b. Balance outstanding at the year end	Nil	Nil	Nil	Nil	Nil	Nil
c. Maximum amount outstanding during the year ended	Nil	Nil	Nil	Nil	Nil	Nil

	As at 31.03.2021			As at 31.03.2020		
	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
a. Name						
b. Balance outstanding at the year end	Nil	Nil	Nil	Nil	Nil	Nil
c. Maximum amount outstanding during the year ended	Nil	Nil	Nil	Nil	Nil	Nil

Loans given to employees under various schemes of the Company have been considered to be out of purview of disclosure requirement.

	31.03.2021		31.03.2020	
	Loans given to employees under various schemes of the Company	Loans given to employees under various schemes of the Company	Loans given to employees under various schemes of the Company	Loans given to employees under various schemes of the Company
a. Name of the Loanee				
b. Balance outstanding at the year end	Nil	Nil	Nil	Nil
c. Maximum amount outstanding during the year ended	Nil	Nil	Nil	Nil
d. Investments made by the Loanee	Nil	Nil	Nil	Nil
e. Maximum amount of investment during the year ended	Nil	Nil	Nil	Nil



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HCL Infosystems Limited
Notes to the Standalone Financial Statements

48 Taxation:

(a) Provision for taxation has been computed by applying the Income Tax Act, 1961 and other relevant tax regulations in the jurisdiction where the Company conducts the business to the profit for the year. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

(b) **Deferred Tax*:**

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

	As at 31.03.2020	Movement during the year	₹/Crores As at 31.03.2021
Assets			
Unrealised gain on indexation of land	-	-	-
Provision for doubtful debts/advances/other current assets	-	-	-
Tax losses	-	-	-
Impact of expenditure charged to statement of profit and loss but allowable for tax purpose in future years	-	-	-
MAT credit	-	-	-
Total (A)	-	-	-
Difference between WDV of fixed assets as per books and under Income tax Act, 1961	-	-	-
Duties, taxes and cess allowed for tax purpose on payment basis	-	-	-
Total (B)	-	-	-
Net deferred tax assets (A)-(B)	-	-	-

* The Company has recognized deferred tax assets to the extent deferred tax liabilities available. Further, during the year deferred tax assets amounting Nil (2020- 63.55 crores) has been written off due to lack of reasonable certainty of taxable future profits against which deferred tax assets can be utilized.

(c) **Income tax expense:**

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items.

	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
Income tax expense - current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease in MAT credit	-	11.70
Decrease / (increase) in deferred tax assets	-	51.85
Total deferred tax expense/(benefit)	-	63.55
Income tax expense	-	63.55

	₹/Crores	
	Year ended 31.03.2021	Year ended 31.03.2020
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before income tax expense	(204.76)	(254.89)
Tax at the Indian tax rate of 31.20% (2020 - 31.20%)	(63.88)	(79.53)
Disallowances for which deferred tax not created		
Impairment of investment and inter corporate deposits	26.39	36.62
Other items	-	-
Decrease / (increase) in MAT credit	-	11.70
Decrease / (increase) in deferred tax assets	-	51.85
Tax losses for which no deferred tax was recognised	37.50	42.91
Income tax expense	-	63.55

Tax Losses

Unused tax losses and depreciation for which no deferred tax assets has been recognised
Potential tax benefit @ 31.2% (2020 - 31.20%)

	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
Unused tax losses and depreciation for which no deferred tax assets has been recognised	445.56	336.03
Potential tax benefit @ 31.2% (2020 - 31.20%)	139.01	104.84

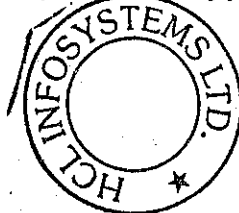
The unused tax losses and depreciation that are not likely to be utilised due to lack of reasonable certainty of future taxable income. The losses can be carried forward as per details below:

Expiry Date

31.03.2021
31.03.2025
31.03.2026
31.03.2027
31.03.2028
31.03.2029
No limit
Total

	₹/Crores	
	As at 31.03.2021	As at 31.03.2020
31.03.2021	-	5.30
31.03.2025	50.08	50.08
31.03.2026	78.04	78.04
31.03.2027	57.04	56.97
31.03.2028	122.87	122.87
31.03.2029	111.09	-
No limit	26.44	22.77
Total	445.56	336.03

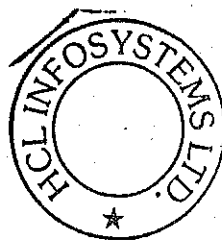
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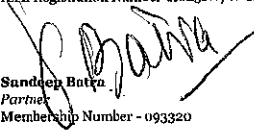
- 49 The Board of Directors of HCL Infosystems Limited in its meeting held on February 10, 2021 had approved to sell the entire shareholding held by HCL Infosystems Limited in HCL Infotech Limited at "Net Asset Value" as on closing date, after acquiring the undertaking which shall comprise of the business relating to two specific projects through a business transfer agreement, certain other assets and liabilities through assignment deed and HCL Investments Pte., Singapore & it's step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out as on 30 September 2020 is ₹ 147 Crs. The sale will be made to Novezo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the customers of our key defense project which is forming part of the deal has asked us to maintain status quo and further explore alternative options. The Company is in active discussion with the investor and the customer and this transaction is expected to take longer time than expected initially with of change in terms. Since, the closure of transaction is subject to certain conditions precedents, which are considered to be substantive in nature, the accounting effect of the above transaction has not been considered in these financial Statements.
- 50 The Board of Directors of the Company in their meeting held on March 23, 2021, has approved to issue letter for waiver of interest on Unsecured Loan, of ₹ 228.58 Crores to the HCL Infotech Limited, a wholly owned subsidiary. Due to unprecedented business conditions in the market, HCL Infotech Limited, has been suffering losses since inception, therefore the Company has stopped recognizing interest income on said unsecured Loan since October 2015. Accordingly, the accounting effect of the above transaction has not been considered in these financial statements
- 51 **Property, plant and equipment held for sale**
In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company. Pursuant to the Board approval dated January 25, 2021, May 18, 2021 and May 27, 2021, the Company has intended to dispose the four properties located in Mohali, Sector-11 Noida, Sederapet and Hyderabad, having gross carrying amount of ₹ 19.86 crores, accumulated depreciation of ₹ 4.81 crores and net carrying amount of ₹ 15.05 crores, for a consideration of ₹ 79.86 crores.
Out of abovementioned four properties, the Company has sold three properties located in Mohali, Sector-11 Noida and Sederapet as on the date of approval of the financial statements for issue. For one property located at Hyderabad, the Company has identified the buyer and transfer the title of such property is expected in the near future.
- 52 The Board of Directors of the Company in its meeting held on March 23, 2021, had consented to adjust the unsecured loan advanced to HCL Infotech Limited, a wholly-owned subsidiary, amounting to ₹ 400 crores, against the subscription money payable by the Company to HCL Infotech Limited, for subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of ₹1,000 each (Indian Rupees One thousand only) issued, on private placement basis to the Company, pursuant to terms of OCD Subscription Agreement dated March 31, 2021 between the Company and HCL Infotech Limited. As legally advised, the issuance of 0.1% OCDs does not meet the definition of loan as envisaged under section 186 of the Companies Act, 2013 and accordingly the Company is of the view that the above transaction is outside the purview of the aforesaid section.
Further the company has recognised a loss on of ₹ 6.31 Crores, upon conversion of net balance of unsecured loan into OCD. (Refer note 36).
- 53 The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 52, issued to the Company shall be redeemed only from and to the extent of the proceeds from certain specified book receivables and favorable awards received by the HCL Infotech Limited in accordance with the terms set out in the OCD Subscription Agreement. Accordingly, HCL Infotech Limited, has transferred its rights to receive cash flows from those specified book receivables and favourable awards to the Company and the aforesaid transaction meets the pass-through arrangement criteria, as per the requirements of Ind AS 109 Financial Instruments. Therefore, the outstanding balance of specified books receivables of ₹ 18.92 Crores (including amount of ₹ 8.67 Crores of the contract assets) has been derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs.
- 54 Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion, the Company has credited its Statement of Profit and Loss with ₹14.88 Crores, for the year ended March 31,2021 (2020: ₹ 1.95 Crores), on account of write back of certain old payables and provisions.
- 55 The Board of Directors of the Company in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ('NCLT') at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger.
Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial statements.
- 56 The Board of Directors of the Company in its meeting held on August 06, 2019 approved to sell the entire shareholding held by HCL Learning Limited (a Subsidiary of HCL Infosystems Limited) in HCL Insys Pte Ltd Singapore (step subsidiary), after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited). The sale has been made to FCCW Solutions Ltd for a total consideration of ₹ 303.35 crores. The transaction was completed on November 15, 2019.

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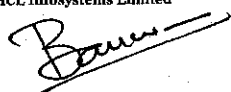
- 57 As at March 31, 2021, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss of ₹ 204.76 Crores, during the current year (March 31, 2020: ₹ 318.44 Crores) and the Company's current liabilities exceeded its current assets by ₹ 461.32 Crores (March 31, 2020: ₹ 344.88 Crores) as at March 31, 2021. The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. The management of the Company, is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 58), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support (in the form of corporate guarantees and unsecured loans) to the Company upto ₹ 1,500 Crores. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the Company's management and the Board of Directors have a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, these financial statements have been prepared on a going concern basis.
- 58 In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Company, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the year.
- 59 Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these Financial Statements In evaluating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.


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


Sundeep Bhatia
Partner
Membership Number - 093320


New Delhi, June 25, 2021

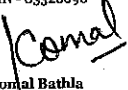
For and on behalf of the Board of Directors of
HCL Infosystems Limited


Pawan Kumar Danwar
Director
DIN - 06847503


Alok Sahu
Chief Financial Officer

Noida, June 25, 2021


Kaushik Dutta
Director
DIN - 03328890


Komal Bathla
Company Secretary


Raji Sachdeva
Manager