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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
COMPANY APPLICATION NO. _____ OF 2021
CONNECTED WITH
COMPANY APPLICATION CA(CAA) 90/230/232/ND/2020**

In the matter of:

Digilife Distribution and -----Applicant-1/ Transferor
Marketing Services Limited, Company-1

AND

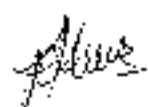
HCL Learning Limited, -----Applicant-2 /
Transferor Company-2

AND

HCL Infosystems Limited, -----Applicant-3 /
Transferee Company

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FILED BY


[MAHESH AGARWAL] [RAJEEV KUMAR]
AGARWAL LAW ASSOCIATES
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PLACE: NEW DELHI
DATED: 20/03/2021



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
COMPANY APPLICATION NO. _____ OF 2021**

CONNECTED WITH

**COMPANY APPLICATION CA(CAA)
90/230/232/ND/2020**

In the matter of the
Companies Act, 2013;

And

In the matter of Sections
230 to 232 and other
relevant provisions of the
Companies Act, 2013;

And

In the matter of Scheme of
Amalgamation between
Digilife Distribution and
Marketing Services Limited
and HCL Learning Limited
and HCL Infosystems
Limited and their respective
shareholders and creditors;

**Digilife Distribution and
Marketing Services
Limited,**

**-----Applicant-1/
Transferor Company-1**

AND

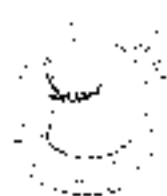
HCL Learning Limited,

**-----Applicant-2
/ Transferor Company-2**

AND

HCL Infosystems Limited,

**-----Applicant-3
/ Transferee Company**



AN APPLICATION UNDER RULE 155 OF THE NATIONAL COMPANY LAW TRIBUNAL RULES, 2016 READ WITH RULE 11 OF THE NATIONAL COMPANY LAW TRIBUNAL RULES FOR AMENDMENT IN CA(CAA)-90/230/232/ND/2020

TO,

THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

The humble Application of the Appellants above named;

MOST RESPECTFULLY SHOWETH:-

1. The Applicants are filing the present application seeking amendment of the first motion application bearing no. CA(CAA)-90/230/232/ND/2020 with a prayer to permit convening of meetings of equity shareholders of Transferor Company No.1 and Transferor Company No.2.
2. It is respectfully submitted that suitable directions may be issued for
 - (i) convening the meeting of the equity shareholders and for dispensing the meetings of the secured and unsecured creditors of the Transferor Company No.1.
 - (ii) convening the meeting of equity shareholders and for dispensing the meetings of the secured and unsecured creditors of Transferor Company No.2;
 - (iii) convening the meetings of the equity shareholders, secured creditors and unsecured creditors of the Transferee Company.



3 In view of the abovesaid, prayer of the above said first motion application has been amended and amended first motion application is being filed along with the present application. Copy of the amended first motion application bearing no. CA(CAA)-90/230/232/ND/2020 is annexed herewith as **ANNEXURE-A.**

4 That the present application is bona fide and made in the interests of justice. No one would be prejudiced if the prayer made by the applicants are allowed.

PRAYER

It is, therefore, most respectfully prayed that this Hon'ble Tribunal may graciously be pleased to:

- (a) Allow the amendment made by the applicants in the first motion application bearing no CA(CAA)-90/230/232/ND/2020;
- (b) Take on record the amended first motion application bearing no. CA(CAA)-90/230/232/ND/2020; and
- (c) pass any such other order/orders as this Hon'ble Tribunal may deem fit in the interest of justice.



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Transferor Co.1



Transferor co.2



Transferee Company

[Signature]

Through

[Signature]

**[MAHESH AGARWAL] [RAJEEV KUMAR]
AGARWAL LAW ASSOCIATES**

34, BABAR LANE FIRST FLOOR
BENGALI MARKET
NEW DELHI -

PLACE: NEW DELHI
110001

DATED: 25/03/2021

PH: 23354330/23738122



INDIA NON JUDICIAL

5

Government of National Capital Territory of Delhi

e-Stamp

सत्यमेव जयते

Certificate No. : IN-DL64260225841589T
 Certificate Issued Date : 24-Mar-2021 10:10 AM
 Account Reference : IMPACC (Wx) d11010903/ DELHI/ DL-DLH
 Unique Doc. Reference : SUBIN-DLDEL101090329860176528442T
 Purchased by : SUSHIL KUMAR JAIN
 Description of Document : Article 4 Affidavit
 Property Description : Not Applicable
 Consideration Price (Rs.) : 0
 (Zero)
 First Party : SUSHIL KUMAR JAIN
 Second Party : Not Applicable
 Stamp Duty Paid By : SUSHIL KUMAR JAIN
 Stamp Duty Amount (Rs.) : 10
 (Ten only)



Please write or type below this line.....

THIS STAMP PAPER FORMS PART

OF AFFIDAVIT OF MR. SUSHIL KUMAR JAIN



Statutory Alert

1. The authenticity of the stamp certificate issued by the Government of National Capital Territory of Delhi is guaranteed by the Government of National Capital Territory of Delhi.
2. The stamp certificate is valid only if it is signed by the authorized signatory of the Government of National Capital Territory of Delhi.
3. The stamp certificate is valid only if it is signed by the authorized signatory of the Government of National Capital Territory of Delhi.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
COMPANY APPLICATION NO. _____ OF 2021**

CONNECTED WITH

**COMPANY APPLICATION CA(CAA)
90/230/232/ND/2020**

In the matter of the
Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013;

And

In the matter of Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors:

Digilife Distribution and Marketing Services Limited, -----Applicant-1/
Transferor Company-1

AND

HCL Learning Limited, -----Applicant-2
/ Transferor Company-2

AND

HCL Infosystems Limited, -----Applicant-3
/ Transferee Company



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AFFIDAVIT

I, Sushil Kumar Jain, son of Late Kishan Chand Jain, age about 57 years, office at 806, Siddharth 96, Nehru Place, New Delhi - 110019, do hereby solemnly affirm and declare as under:-

1. That I am the authorized signatory for and on behalf of the Applicant Companies. I am well acquainted with the facts and circumstances of the above matter and am as such authorized and competent to affirm the present affidavit on behalf of the Applicant Companies.
2. The statement made in paragraphs 1 to 4 of the accompanying application shown to me are true to my knowledge and nothing is false and no material fact has been concealed.


DEPONENT

VERIFICATION

Verified at Delhi on this 24 MAR 2021 day of March, 2021 that the contents of the above affidavit are true and correct to my knowledge and nothing is false and no material fact has been concealed.

ATTESTED

REKUSHA SINGH 1672
GOVERNMENT OF INDIA




DEPONENT

24 MAR 2021

ANNEXURE - A ⁸

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI, (COURT NO. V)
COMPANY APPLICATION CA (CAA)
90/230/232/ND/2020
(Amended Application)**

In the matter of the Companies
Act, 2013;

And

In the matter of Sections 230
to 232 and other relevant
provisions of the Companies
Act, 2013;

And

In the matter of Scheme of
Amalgamation between Digilife
Distribution and Marketing
Services Limited and HCL
Learning Limited and HCL
Infosystems Limited and their
respective shareholders and
creditors;

Digilife Distribution and Marketing Services Limited, -----Applicant-1/ Transferor Company-1

AND

HCL Learning Limited, -----Applicant-2/
Transferor Company-2

AND

HCL Infosystems Limited, -----Applicant-3/
Transferee Company

(Transferor Company-1 and Transferor Company-2 hereinafter collectively referred to as "Transferor Companies")

(Applicant-1, Applicant-2 and Applicant-3 hereinafter collectively referred to as "Applicants" or "Applicant Companies")

**ADVOCATE FOR THE APPLICANTS: MAHESH AGARWAL
EMAIL: rajeev@aglaw.in
MOBILE 9910483619**

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FILED BY



[MAHESH AGARWAL & RAJEEV KUMAR]
AGARWAL LAW ASSOCIATES
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NEW DELHI - 110 001
PH: 23354330/23738122

PLACE: NEW DELHI
DATED: 09.03.2021


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NOTICE OF ADMISSION

Date:

From: Digilife Distribution and Marketing Services Limited
and HCL Learning Limited and HCL Infosystems
Limited.

The Registrar,
National Company Law Tribunal
New Delhi

Sir

The Applicants above named request that the Tribunal grant
the following relief:

1. Appropriate orders/ directions for convening the
meetings of the Equity Shareholders of the Transferor
Companies through physical meeting or through video
conferencing or through any other mode that the
Tribunal may deem fit, appointment of chairman and the
publication and issue of notices for the same through
registered post or speed post or through courier or
through e-mail;



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2. Appropriate order dispensing with requirement for convening the meeting of the Secured Creditors and Unsecured Creditors of the Transferor Companies and also to dispense with the requirement of issue and publication of notices for the same;
3. Appropriate orders/ directions for convening the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company through Postal ballot (including E-voting) as per the provisions of Section 108 and 110 of the Companies Act 2013 read with Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or through video conferencing or through any other mode that the Tribunal may deem fit, appointment of chairman and the publication and issue of notices for the same through registered post or speed post or through courier or through e-mail;
4. Appropriate order dispensing with the requirement from holding physical meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company considering the current COVID-19 situation;



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5. Issuing necessary directions for granting exemption from sending individual notices to the Unsecured Creditors of the Transferee Company having debt value of up to Rs. 2,00,000 which constitutes 1.13% of the total outstanding balance of the Unsecured Creditors;
6. Issuing direction for permitting the filing of application, petition, other documents as may be required, for the purpose of sanctioning the proposed Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited and HCL Learning Limited with HCL Infosystems Limited and their respective Shareholders and Creditors;
7. Appropriate orders / directions for serving a notice to the Regional Director, Registrar of Companies, Official Liquidator , BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India ("SEBI") and jurisdictional Assessing Officer of the Applicant Companies;
8. Passing such other and further orders as are deemed necessary in the facts and circumstances of the case.

The aforementioned relief is sought under Section 230-232 of the Companies Act, 2013 read with applicable Rules of



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Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 read with National Company Law Tribunal Rules, 2016 and any other applicable provisions that the NCLT may deem appropriate.

The relief is sought for the following reasons:

1. The Applicant Companies are desirous of amalgamation of Transferor Companies into Transferee Company and have therefore formulated a Scheme of Amalgamation for this purpose. The ensuing paragraphs provide for the details of the Applicant Companies, relevant for the purpose of the sanctioning of the said Scheme of Amalgamation by this Tribunal and seek appropriate orders inter alia under Section 230 to 232 of the Companies Act, 2013.
2. The Unsecured Creditors of the Transferor Companies have given their consent to the proposed scheme.
3. Amalgamation of Transferor Companies with and into the Transferee Company shall help achieve the benefits as set out in 'PURPOSE AND RATIONALE OF THE SCHEME OF AMALGAMATION' given in the Scheme annexed to this Application.
4. Kindly refer to the contents of the application (Form No. NCLT.1), providing the details of the Transferor



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Companies and Transferee Company including the consents of Equity Shareholders and Unsecured Creditors of Transferor Companies received for purpose of the Scheme.

Authorised Signatory

Through



[MAHESH AGARWAL & RAJEEV KUMAR]
AGARWAL LAW ASSOCIATES
34, BABAR LANE FIRST FLOOR
BENGALI MARKET
NEW DELHI - 110 001
PH: 23354330/23738122

PLACE: NEW DELHI
DATED: 09/03/2021




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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
COMPANY APPLICATION CA(CAA)
90/230/232/ND/2020
(Amended Application)**

MEMO OF PARTIES

Digilife Distribution and Marketing Services Limited
(CIN - U72900DL2008PLC175605), a company
incorporated under the provisions of the Companies Act, 1956
and having its registered office at 806, Siddharth 96, Nehru
Place, New Delhi - 110019.
Through its authorized signatory Mr. Sushil Kumar Jain
Email: sushiljain@hcl.com
Telephone: 011-26212687

-----Applicant-1/ Transferor Company-1

AND

HCL Learning Limited (CIN -
U80900DL2012PLC242907), a company incorporated
under the provisions of the Companies Act, 1956 and having
its registered office at 806, Siddharth 96, Nehru Place, New
Delhi - 110019



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Through its authorized signatory Mr. Sushil Kumar Jain

Email: sushiljain@hcl.com

Telephone: 011-26212687

-----Applicant-2/ Transferor Company-2

AND

HCL Infosystems Limited (CIN - L72200DL1986PLC023955), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 806, Siddharth 96, Nehru Place, New Delhi - 110019

Through its authorized signatory Mr. Sushil Kumar Jain

Email: sushiljain@hcl.com

Telephone: 011-26212687

-----Applicant-3/ Transferee Company

Authorised Signatory

THROUGH



[MAHESH AGARWAL & RAJEEV KUMAR]
AGARWAL LAW ASSOCIATES
34, BABAR LANE FIRST FLOOR
BENGALI MARKET
NEW DELHI - 110 001
PH: 23354330/23738122

PLACE: NEW DELHI

DATED: 09/03/2021



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
COMPANY APPLICATION CA(CAA)
90/230/232/ND/2020
(Amended Application)**

In the matter of the Companies
Act, 2013;

And

In the matter of Sections 230 to
232 and other relevant
provisions of the Companies Act,
2013;

And

In the matter of Scheme of
Amalgamation between
Digilife Distribution and
Marketing Services Limited
and HCL Learning Limited and
HCL Infosystems Limited and
their respective shareholders
and creditors;

**Digilife Distribution and
Marketing Services
Limited,**

-----Applicant-1/
Transferor Company-1

AND

HCL Learning Limited,

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-----Applicant-2/
Transferor Company-2

AND

HCL Infosystems Limited,

-----Applicant-3/
Transferee Company

BRIEF SYNOPSIS

Company	No. of Share holders	Consents Given	No. of Secured Creditors	Consents Given	No. of Unsecured Creditors	Consents Given
Transferor Company-1	7	7 (meeting to be convened)	N/A	N/A	89	5 (92.37% in value)
Transferor Company-2	7	7 (meeting to be convened)	N/A	N/A	191	1 (96.32% in value)
Transferee Company	96,477	Nil (meeting to be convened)	4	Nil (meeting to be convened)	2,297	Nil (meeting to be convened)

1. Dispensation for meeting is being sought on the basis that there are no Secured Creditors of the Transferor Companies.
2. Dispensation for meeting is being sought on the basis of consent affidavits received from the Unsecured Creditors of the Transferor Companies constituting more than 90% in value.
3. Exemption from sending individual notices to the Unsecured Creditors of the Transferee Company having debt value of up to Rs. 2,00,000 which constitutes 1.13% of the total outstanding balance of the Unsecured Creditors is being sought.



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LIST OF DATES

DATE	PARTICULARS
Digilife Distribution and Marketing Services Limited (Transferor Company-1)	
19.03.2008	The Transferor Company-1 was incorporated in the name of "HCL Security Limited" having its registered office at 806, Siddharth 96, Nehru Place, New Delhi - 110019.
26.07.2011	The name of Transferor Company-1 was changed from "HCL Security Limited" to "Distribution and Marketing Services Limited".
05.08.2020	Board of Directors of Transferor Company-1 approved the Scheme of Amalgamation.
01.04.2020	Appointed Date for the Scheme of Amalgamation.
HCL Learning Limited (Transferor Company-2)	
28.09.2012	The Transferor Company-2 was incorporated in the name of "HCL Learning Limited" having its registered office at 806, Siddharth 96, Nehru Place, New Delhi - 110019.
05.08.2020	Board of Directors of Transferor Company-2 approved the Scheme of Amalgamation.
01.04.2020	Appointed Date for the Scheme of Amalgamation.



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HCL Infosystems Limited (Transferee Company)	
17.04.1986	The Transferee Company was Incorporated in the name of "HCL Limited" having its registered office at 806, Siddharth 96, Nehru Place, New Delhi - 110019.
27.12.1991	The name of Transferee Company was changed from "HCL Limited" to "HCL Hewlett-Packard Limited".
09.09.1997	The name of Transferee Company was changed from "HCL Hewlett-Packard Limited" to "HCL Infosystems Limited".
06.08.2020	Board of Directors of Transferee Company approved the Scheme of Amalgamation.
01.04.2020	Appointed Date for the Scheme of Amalgamation.
21.09.2020	First motion application filed
09.03.2021	The present Application with amended prayer

Authorised Signatory

Through



[MAHESH AGARWAL & RAJEEV KUMAR]
 AGARWAL LAW ASSOCIATES
 34, BABAR LANE FIRST FLOOR
 BENGALI MARKET
 NEW DELHI - 110 001
 PH: 23354330/23738122

PLACE: NEW DELHI
 DATED: 09/03/2021



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI**

COMPANY APPLICATION CA(CAA)

90/230/232/ND/2020

(Amended Application)

In the matter of the
Companies Act, 2013;

And

In the matter of Sections 230
to 232 and other relevant
provisions of the Companies
Act, 2013;

And

In the matter of Scheme of
Amalgamation between
Digilife Distribution and
Marketing Services Limited
and HCL Learning Limited and
HCL Infosystems Limited and
their respective shareholders
and creditors;

**Digilife Distribution and
Marketing Services Limited,**

**-----Applicant-1/
Transferor Company-1**

AND

HCL Learning Limited,



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-----Applicant-2/
Transferor Company-2

AND

HCL Infosystems Limited,

-----Applicant-3/
Transferee Company

AN APPLICATION UNDER SECTIONS 230 to 232 OF
THE COMPANIES ACT, 2013

1. PARTICULARS OF THE APPLICANTS

- 1) Digilife Distribution and Marketing Services Limited,
(hereinafter referred to as "DDMS" / "Applicant-1" /
"Transferor Company-1") was incorporated on the 19th
day of March 2008 under the provisions of the
Companies Act, 1956 having its Registered Office at
806, Siddharth 96, Nehru Place, New Delhi - 110019.
- 2) HCL Learning Limited, (hereinafter referred to as "HCL
Learning" / "Applicant-2" / "Transferor Company-2")
was incorporated on the 28th day of September 2012
under the provisions of the Companies Act, 1956
having its Registered Office at 806, Siddharth 96,
Nehru Place, New Delhi - 110019.



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- 3) HCL Infosystems Limited (hereinafter referred to as "HIL" / "Applicant-3" / "Transferee Company"), was incorporated on the 17th day of April 1986 under the provisions of the Companies Act, 1956 having its Registered Office at 806, Siddharth 96, Nehru Place, New Delhi - 110019.

2. JURISDICTION OF THE BENCH

- 4) The Applicants declare that subject matter of the Application is within the jurisdiction of the Bench.

3. LIMITATION

- 5) The Applicant Companies, hereby, declare that the application is being filed as per / within the limitation laid down under Sections 230 to 232 of the Companies Act, 2013 (as applicable) in relation to a Scheme of Amalgamation.

4. FACTS OF THE CASE

- 6) The present application is being filed jointly by Transferor Companies and Transferee Company.
- 7) The present Application is in connection with a Scheme



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of Amalgamation (hereinafter referred to as the "**Scheme**") between Digilife Distribution and Marketing Services Limited and HCL Learning Limited and HCL Infosystems Limited and their respective shareholders and creditors. The original Scheme of Amalgamation is annexed herewith and marked as **ANNEXURE-A1**

- 8) The present application is being filed to seek appropriate order for dispensation from convening the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Companies.

DDMS or Transferor Company-1 or Applicant-1

- 9) The main objects of the Transferor Company-1 are set out in Clause III(A) of its Memorandum of Association.

Further, Sub Clause 23 of Clause III (B) of the Memorandum of Association of the Transferor Company-1 authorizes the Transferor Company-1 as under:

"Subject to the provisions of the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable), to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of



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interest, co-operation, joint venture or reciprocal with any person or persons of company or companies carrying on or engaged in the main business of the Company."

A copy of the Memorandum and Articles of Association of the Transferor Company-1 is annexed hereto and marked as **ANNEXURE-A2**.

- 10) The share capital of the Transferor Company-1 as per its latest audited Balance Sheet dated March 31, 2020 was as under:-

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

There has been no change in the above capital structure of the Transferor Company-1 after March 31, 2020 till the date of approval of this Scheme by the Board of the Transferor Company-1.



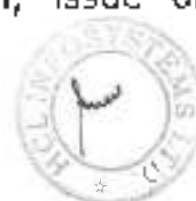
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Copy of the latest Audited Accounts of the Transferor Company-1 for the year ended March 31, 2020 is annexed hereto and marked as **ANNEXURE-A3**.

- 11) The Board of Directors of the Transferor Company-1 have approved and adopted the Scheme at their meeting held on August 05, 2020. Copy of the Board Resolution dated August 05, 2020 passed by the Transferor Company-1 approving the Scheme is annexed herewith and marked as **ANNEXURE-A4**.

The Transferor Company-1 has 7 (Seven) Equity Shareholders as on July 31, 2020. All the equity shareholders have given their consent to the Scheme constituting 100% in value and 100% in number of total shareholders. List of Equity Shareholders of the Transferor Company-1 is annexed hereto and marked as **ANNEXURE-A5** and consent letters of the equity shareholders of Transferor Company-1 are annexed hereto and marked as **ANNEXURE-A6 (Colly)**.

- 12) It is submitted that convening, holding and conducting of Meeting of the Equity Shareholders of the Transferor Company-1 and the publication, issue of notices



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through registered post or speed post or through courier or through e-mail, appointment of chairman, scrutinizer, etc. in this regard may kindly be ordered.

- 13) The Transferor Company-1 does not have any Secured Creditors as on July 31, 2020. It is submitted that in the circumstances it would be convenient and expeditious that the holding of meeting of Secured Creditors of the Transferor Company-1 may be dispensed with, since there are no Secured Creditors of the Transferor Company-1.

The certificate of Achin Jain & Co., Chartered Accountants dated September 07, 2020, certifying that the Transferor Company-1 does not have any Secured Creditors as on July 31, 2020 is annexed hereto and marked as **ANNEXURE-A7**.

- 14) The Transferor Company-1 has 89 (Eighty Nine) Unsecured Creditors having outstanding balance of Rs. 66,109,566/- (Rupees Sixty Six Million One Hundred Nine Thousand and Five Hundred Sixty Six) as on July 31, 2020.

Out of the above list of 89 Unsecured Creditors as on July 31, 2020, the Transferor Company-1 has obtained



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consent letters from 5 (Five) Unsecured Creditors constituting 92.37% in value of the total outstanding balance of Unsecured Creditors.

It is submitted that in the circumstances it would be convenient and expeditious that the requirement of holding the Meeting of the Unsecured Creditors of the Transferor Company-1 be dispensed with, since 5 (Five) Unsecured Creditors constituting 92.37% in value of the total outstanding balance of Unsecured Creditors, as stated above, have consented to the Scheme in writing on affidavit. Thus, in the circumstances, this Tribunal may be pleased to give necessary directions to dispense with the requirement of holding the Meeting of the Unsecured Creditors of Transferor Company-1 proposed therein.

The list of Unsecured Creditors of Transferor Company-1 along with the certificate of Achin Jain & Co., Chartered Accountants dated September 07, 2020, and consent affidavits of the Unsecured Creditors are annexed hereto and marked as **ANNEXURE-A8 (COLLY)**.

- 15) The list of Directors of the Transferor Company-1 is annexed herewith and marked as **ANNEXURE-A9**.



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HCL Learning or Transferor Company-2 or Applicant-2

16) The main objects of the Transferor Company-2 are set out in Clause III(A) of its Memorandum of Association.

Further, Sub Clause 23 of Clause III (B) of the Memorandum of Association of the Transferor Company-2 authorizes the Transferor Company-2 as under:

"Subject to the provisions of the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable), to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal with any person or persons of company or companies carrying on or engaged in the main business of the Company."

A copy of the Memorandum and Articles of Association of the Transferor Company-2 is annexed hereto and marked as **ANNEXURE-B1**.

17) The share capital of the Transferor Company-2 as per its latest audited Balance Sheet dated March 31, 2020 was as under:-



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

There has been no change in the above capital structure of the Transferor Company-2 after March 31, 2020 till the date of approval of this Scheme by the Board of the Transferor Company-2.

Copy of the latest Audited Accounts of the Transferor Company-2 for the year ended March 31, 2020 is annexed hereto and marked as **ANNEXURE-B2**.

- 18) The Board of Directors of the Transferor Company-2 have approved and adopted the Scheme at their meeting held on August 05, 2020. Copy of the Board Resolution dated August 05, 2020 passed by the Transferor Company-2 approving the Scheme is annexed herewith and marked as **ANNEXURE-B3**.

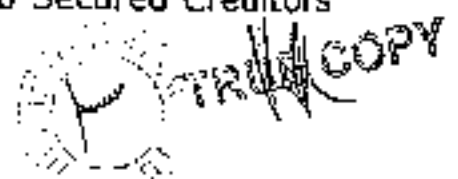


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The Transferor Company-2 has 7 (Seven) Equity Shareholders as on July 31, 2020. All the equity shareholders have given their consent to the Scheme constituting 100% in value and 100% in number of total shareholders. List of Equity Shareholders of the Transferor Company-2 is annexed hereto and marked as **ANNEXURE-B4** and consent letters of the equity shareholders of Transferor Company-2 are annexed hereto and marked as **ANNEXURE-B5 (Colly)**.

19) It is submitted that convening, holding and conducting of Meeting of the Equity Shareholders of the Transferor Company-2 and the publication, issue of notices through registered post or speed post or through courier or through e-mail, appointment of chairman, scrutinizor, etc. in this regard may kindly be ordered.

20) The Transferor Company-2 does not have any Secured Creditors as on July 31, 2020. It is submitted that in the circumstances it would be convenient and expeditious that the holding of meeting of Secured Creditors of the Transferor Company-2 may be dispensed with, since there are no Secured Creditors



of the Transferor Company-2.

The certificate of Achin Jain & Co., Chartered Accountants dated September 07, 2020, certifying that the Transferor Company-2 does not have any Secured Creditors as on July 31, 2020 is annexed hereto and marked as **ANNEXURE-B6**.

21) The Transferor Company-2 has 191 (One Hundred Ninety One) Unsecured Creditors having outstanding balance of Rs. 490,428,925/- (Rupees Four Hundred Ninety Million Four Hundred Twenty Eight Thousand Nine Hundred Twenty Five) as on July 31, 2020.

Out of the above list of 191 Unsecured Creditors as on July 31, 2020, the Transferor Company-2 has obtained consent letters from 1 (One) Unsecured Creditor constituting 96.32% in value of the total outstanding balance of Unsecured Creditors.

It is submitted that in the circumstances it would be convenient and expeditious that the requirement of holding the Meeting of the Unsecured Creditors of the Transferor Company-2 be dispensed with, since 1 (One) Unsecured Creditors constituting 96.32% in value of the total outstanding balance of Unsecured Creditors, as stated above, have consented to the



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Scheme in writing on affidavit. Thus, in the circumstances, this Tribunal may be pleased to give necessary directions to dispense with the requirement of holding the Meeting of the Unsecured Creditors of Transferor Company-2 proposed therein.

The list of Unsecured Creditors of Transferor Company-2 along with the certificate of Achin Jain & Co, Chartered Accountants dated September 07, 2020, and consent affidavits of the Unsecured Creditors are annexed hereto and marked as **ANNEXURE-B7 (COLLY)**.

- 22) The list of Directors of the Transferor Company-2 is annexed herewith and marked as **ANNEXURE-B8**.

HIL or Transferee Company or Applicant-3

- 23) The main objects of the Transferee Company are set out in Clause III(A) of its Memorandum of Association.

Further, Sub Clause 9 of Clause III (B) of the Memorandum of Association of the Transferee Company authorizes the Transferee Company as under:

"Subject to the Act, to amalgamate with any other Company in any manner whatsoever (whether with or



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without liquidation of the Company) having objects altogether or in part similar to those of this company."

A copy of the Memorandum and Articles of Association of the Transferee Company is annexed hereto and marked as **ANNEXURE-C1**.

- 24) The share capital of the Transferee Company as per its latest audited Balance Sheet dated March 31, 2020 was as under:-

Particulars	(Amount in Rs)
Authorised Share Capital	
552,500,000 Equity Shares of Rs.2/- each	1,105,000,000
500,000 Preference Shares of Rs.100/- each	50,000,000
Total	1,155,000,000
Issued and Subscribed Share Capital	
329,210,928 Equity Shares of Rs.2/- each	658,421,856
Total	658,421,856
Paid-up Share Capital	
329,209,928 Equity Shares of Rs.2/- each	658,419,856
Total	658,419,856



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There has been no change in the above capital structure of the Transferee Company after March 31, 2020 till the date of approval of this Scheme by the Board of the Transferee Company.

Copy of the latest Audited Accounts of the Transferee Company for the year ended March 31, 2020 is annexed hereto and marked as **ANNEXURE-C2**.

25) The Board of Directors of the Transferee Company have approved and adopted the Scheme at their meeting held on August 06, 2020. Copy of the Board Resolution dated August 06, 2020 passed by the Transferee Company approving the Scheme is annexed herewith and marked as **ANNEXURE-C3**.

26) The Transferee Company has 96,477 (Ninety Six Thousand Four Hundred and Seventy Seven) Equity Shareholders as on June 30, 2020.

Shareholding pattern for the quarter ending June, 2020 of the Transferee Company is annexed hereto and marked as **ANNEXURE-C4**.



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27) The Transferee Company has 4 (Four) Secured Creditor having outstanding balance of Rs. 2,299,548,145/- (Rupees Two Billion Two Hundred Ninety Nine Million Five Hundred Forty Eight Thousand and One Hundred Forty Five) as on July 31, 2020.

The list of Secured Creditors of Transferee Company along with the certificate of Achin Jain & Co, Chartered Accountants dated September 18, 2020, is annexed hereto and marked as **ANNEXURE-C5**.

28) The Transferee Company has 2,297 (Two Thousand Two Hundred and Ninety Seven) Unsecured Creditors having outstanding balance of Rs. 5,177,638,813/- (Rupees Five Billion One Hundred Seventy Seven Million Six Hundred Thirty Eight Thousand and Eight Hundred Thirteen) as on July 31, 2020.

The list of Unsecured Creditors of Transferee Company along with the certificate of Achin Jain & Co, Chartered Accountants dated September 18, 2020, is annexed hereto and marked as **ANNEXURE-C6**.

29) It is submitted that convening, holding and conducting of Meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company and the publication, issue of notices through



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registered post or speed post or through courier or through e-mail, appointment of chairman, scrutinizer, etc. in this regard may kindly be ordered.

Further submitted that, considering the current COVID-19 situation, the Transferee Company be dispensed from holding physical meeting meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors.

Further submitted that exemption be granted from sending individual notices to the Unsecured Creditors of the Transferee Company having debt value of up to Rs. 2,00,000 which constitutes 1.13% of the total outstanding balance of the Unsecured Creditors.

30) The list of Directors of the Transferee Company is annexed herewith and marked as **ANNEXURE-C7**.



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RATIONALE FOR THE SCHEME OF AMALGAMATION

31) The proposed amalgamation, as envisaged in Scheme, is driven by the following objectives and is likely to result, inter alia, in the following advantages:

- (1) Consolidation of businesses into one corporate entity which would result in operational synergies for the group;
- (2) Simplification of the corporate structure and reduction of legal entities; and
- (3) Overall reduction in administrative, managerial and other expenditure and optimum utilization of various resources.

It is therefore considered desirable and expedient to carry out the Scheme of Amalgamation pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (as may be in force).

The Scheme is considered to be in the interest of the shareholders, and all concerned of the Transferor Companies and the Transferee Company.

The Transferee Company shall account for the amalgamation of the Transferor Companies in its



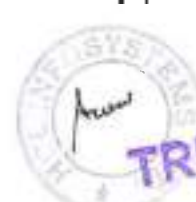
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books of accounts as per the accounting treatment prescribed under Indian Accounting Standard 103 – “Business Combinations” specified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and in accordance with generally accepted accounting principles.

Original Certificate issued by the auditors of the Transferor Companies and Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under section 133 of the Companies Act, 2013 is annexed herewith and marked as **ANNEXURE D1 (Colly.)**.

32) The key terms of the Scheme of Amalgamation have been reproduced herein below:-

- (1) Para 4.4 provides Appointed Date to be April 01, 2020 or such other date as may be fixed by the Tribunal or any other appropriate authority;
- (2) Para 4.7 provides that Effective Date means the later of the dates on which certified copy of the



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order of the Tribunal sanctioning this Scheme is filed with the Registrar of Companies, Delhi and Haryana by the Transferor Companies and the Transferee Company, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";

- (3) Para 7.1 provides that upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferor Companies shall, pursuant to the provisions of Section 230 to 232 of the Act, and other applicable provisions of the law for time being in force and sanction of this Scheme by NCLT, New Delhi Bench, without any further act or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company on the Appointed Date, on a going concern, in such a way that from the Appointed Date, the assets and liabilities of the Transferor Companies along with all the rights, title, interest or obligations of the Transferor Companies therein become that of the Transferee Company;



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(4) Para 15.1 provides that since the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, upon the Scheme being effective as per the provisions of Companies Act 2013, and the transfer being effective, all the equity shares held by the Transferee Company and its nominees in the Transferor Companies shall be cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies upon the Scheme being effective.

(5) Para 16 provides that with effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of accounts as per accounting treatment prescribed under Indian Accounting Standard 103 - "Business Combinations" specified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and



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in accordance with generally accepted accounting principles.

(6) Para 17 provides that upon the Scheme becoming effective and with effect from the Effective Date, the authorized share capital of the Transferor Companies shall stand consolidated and vested in and be merged with the authorized share capital of the Transferee Company without any liability for payment of additional fees (including fees and charges to the Registrar of Companies) or stamp duty, as such fees and duties in respect of the authorized share capital of the Transferor Companies have already been paid by the respective companies, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective;

33) It is respectfully submitted that Scheme is not prejudicial to the interests of the equity shareholders and creditors of the Transferor Companies and Transferee Company. It is further submitted that the Scheme will be beneficial to the Transferor Companies, Transferee Company and their respective shareholders and all concerned.



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34) It is respectfully submitted that this Hon'ble Tribunal has the territorial jurisdiction to entertain this Application as the registered office of both the Transferor Companies and the Transferee Company are situated within the jurisdiction of this Hon'ble Tribunal.

35) It is submitted that there is no investigation or proceedings are pending against the Transferor Companies and Transferee Company under the Companies Act, 2013 or under the Companies Act, 1956.

36) The Directors and Key Managerial Personnel of the Applicant Companies shall not be deemed to be interested in the proposed Scheme save to the extent of shares held by them in the Applicant Companies, if any.

37) Disclosures under Section 230(2)(a) in respect of all material facts relating to the Applicant Companies such as the latest financial position of the company and the latest auditor's report on the accounts of the Applicant Companies has been mentioned in the captioned application. That there are no pending investigations or proceedings against the Transferee Company under the provisions of the Companies Act, 2013.



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38) As per Section 230(2)(b), it is hereby declared that the proposed Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited and HCL Learning Limited and HCL Infosystems Limited ("Scheme") being filed herein does not include reduction of share capital of the Applicant Companies.

39) As per Section 230(2)(c) it is hereby declared that the Scheme being filed herein is not a corporate debt restructuring scheme and hence a creditor's responsibility statement and other requirements under Section 230(2)(c) are not applicable to the present case.

40) Upon Scheme becoming effective, the Transferor Companies shall stand dissolved without following the process of winding up.

41) The Transferee Company is a public company limited by shares and the equity shares of the Transferee Company are listed on National Stock Exchange of India Limited and BSE Limited and is governed by the rules and regulations of SEBI. Since the Transferor Companies are wholly owned subsidiaries of Transferee Company and the Scheme provides only for amalgamation of wholly



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owned subsidiaries with its holding company as regards to the listed company, no formal approval, no objection certificate or vetting is required from Stock Exchanges or SEBI for the Scheme. This is in accordance with Clause 7 of the SEBI Circular CFD/DIL3/CIR/2017/21, the provisions of Regulation 37 and 94 of Listing Obligations and Disclosure Requirements shall not be applicable on the scheme. This Scheme is only required to be filed with Stock Exchanges for the purpose of disclosure and dissemination on their website. The SEBI Circular CFD/DIL3/CIR/2017/21 is annexed hereto and marked as **ANNEXURE-D2**. Further, intimation to stock exchanges was provided on September 08, 2020 and copy of the same is annexed hereto and marked as **ANNEXURE-D3**.

- 42) The Transferor Companies are not governed by any sectoral regulator, therefore, no notice is required to be sent to any regulator. The Transferee Company is listed on BSE Limited and National Stock Exchange of India Limited and hence governed by the sectoral regulator SEBI. However, no prior approval is required to file the present application.



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43) That no prejudice will be caused to anyone if orders are made and / or directions are given as prayed for.

44) The Vakalatnama authorizing Mr. Mahesh Agarwal, Mr. Rishi Agrawala, Mr. Rajeev Kumar, Advocates M/S. Agarwal Law Associates, Advocates, 34 Babar Lane Bengali Market, First Floor, New Delhi-110001, in whole time practice to enter appearance on behalf of the Applicant Companies before National Company Law Tribunal, New Delhi are annexed hereto.

5. RELIEF SOUGHT

1) In view of the averments made hereinabove, it is most respectfully prayed that, this Hon'ble Tribunal may be pleased to pass:

(1) Appropriate orders / directions for convening the meetings of the Equity Shareholders of the Transferor Companies through physical meeting or through video conferencing or through any other mode that the Tribunal may deem fit, appointment of chairman and the publication and issue of notices for the same through registered post or speed post or through courier or through e-mail;



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- (2) Appropriate order dispensing with requirement for convening the meeting of the Secured Creditors and Unsecured Creditors of the Transferor Companies and also to dispense with the requirement of issue and publication of notices for the same;
- (3) Appropriate orders/ directions for convening the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company through Postal ballot (including E-voting) as per the provisions of Section 108 and 110 of the Companies Act 2013 read with Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or through video conferencing or through any other mode that the Tribunal may deem fit, appointment of chairman and the publication and issue of notices for the same through registered post or speed post or through courier or through e-mail;
- (4) Appropriate order dispensing with the requirement from holding physical meeting meetings of the Equity Shareholders, Secured Creditors and



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Unsecured Creditors of the Transferee Company considering the current COVID-19 situation;

- (5) Issuing necessary directions for granting exemption from sending individual notices to the Unsecured Creditors of the Transferee Company having debt value of up to Rs. 2,00,000 which constitutes 1.13% of the total outstanding balance of the Unsecured Creditors;
- (6) Issuing direction for permitting the filing of application, petition, other documents as may be required, for the purpose of sanctioning the proposed Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited and HCL Learning Limited with HCL Infosystems Limited and their respective Shareholders and Creditors;
- (7) Appropriate orders / directions for serving a notice to the Regional Director, Registrar of Companies, Official Liquidator, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India ("SEBI") and jurisdictional Assessing Officer of the Applicant Companies;



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- (8) Passing such other and further orders as are deemed necessary in the facts and circumstances of the case.

Applicant – 1



Applicant – 2



Applicant – 3



THROUGH

[Signature]
 [MAHESH AGARWAL & RAJEEV KUMAR]
 AGARWAL LAW ASSOCIATES
 34, BABAR LANE FIRST FLOOR
 BENGALI MARKET
 NEW DELHI – 110 001
 PH: 23354330/23738122

PLACE: NEW DELHI
 DATED: 09/03/2021

[Signature]
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सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.

: JN-DL442848578509157

Certificate Issued Date

: 09-Feb-2021 05:10 PM

Account Reference

: IMPACC (IV): d1911503/DELHI/DL-DUH

Unique Doc. Reference

: SUBIN-DL442848578509157

Purchased by

: SUSHIL KUMAR JAIN

Description of Document

: Article 4 Affidavit

Property Description

: Not Applicable

Consideration Price (Rs.)

: 0
(Zero)

First Party

: SUSHIL KUMAR JAIN

Second Party

: Not applicable

Stamp Duty Paid By

: SUSHIL KUMAR JAIN

Stamp Duty Amount (Rs.)

: 10
(Ten only)

Please write or type below this line.

This Stamp paper forms part of
affidavit of Mr. Sushil Kumar Jain.

[Signature]



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Statutory Alert

1. The authenticity of this Stamp certificate should be verified at www.shiksha.com or using e-Stamp Mobile App of Stock Holding.
2. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
3. The onus of checking the authenticity is on the users of the certificate.
4. In case of any discrepancy, please inform the Competent Authority.

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
COMPANY APPLICATION CA(CAA)
90/230/232/ND/2020
(Amended Application)**

In the matter of the
Companies Act, 2013;

And

In the matter of Sections 230
to 232 and other relevant
provisions of the Companies
Act, 2013;

And

In the matter of Scheme of
Amalgamation between
Digilife Distribution and
Marketing Services Limited
and HCL Learning Limited
and HCL Infosystems Limited
and their respective
shareholders and creditors;

**Digilife Distribution and
Marketing Services
Limited,**

**-----Applicant-1/
Transferor Company-1**

AND

HCL Learning Limited,

**-----Applicant-2/
Transferor Company-2**

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AND

HCL Infosystems Limited,

-----Applicant-3/
Transferee Company

AFFIDAVIT

I, Sushil Kumar Jain, son of Late Kishan Chand Jain, age about 57 years, office at 806, Siddharth 96, Nehru Place, New Delhi - 110019, do hereby solemnly affirm and declare as under:-

1. That I am the authorized signatory for and on behalf of the Applicant Companies. I am well acquainted with the facts and circumstances of the above matter and am as such authorized and competent to affirm the present affidavit on behalf of the Applicant Companies.
2. The statement made in paragraphs 1 to 43 of the application shown to me are true to my knowledge.



DEPONENT

VERIFICATION

- 8 MAR 2021

Verified at Delhi on this _____ day of _____, 2021, that the contents of the above affidavit are true and correct to my knowledge and nothing is false and no material fact has been concealed.



ATTESTED

RENU BALA, REG No 1672
NOTARY DELHI
GOVERNMENT OF INDIA
- 8 MAR 2021


DEPONENT

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

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

Item 512 of 09.09.21

In the Matter of:

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

... Transferor Company- 1

And

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

... Transferor Company- 2

With

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

... Transferee Company

Order Delivered on 17.09.2021

Coram:

Hon'ble P.S.N Prasad, Member (J)

Hon'ble K.K. Vohra, Member (T)

Present:

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

ORDER

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

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

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

[Signature]
20/9/21



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

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

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

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

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

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

V



S. No.	Company	Date of incorporation	Authorized Share Capital (Rs)	Paid up and subscribed share capital (Rs)	CIN No.
1.	Transferor Co 1	19.03.2008	Rs 60,00,00,000 divided into 6,00,00,000 equity shares of Rs 10 each	Rs 56,05,00,000 divided into 5,60,50,000 equity shares of Rs 10 each	U729 00DL 2008 PLC1 75605
2.	Transferor Co 2	28.09.2012	Rs 10,00,000 divided into 1,00,000 equity shares of Rs 10 each	Rs 7,52,740 divided into 75,274 equity shares of Rs 10 each	U809 00DL 2012 PLC2 42907
3.	Transferee Co	17.04.1986	Rs 110,50,00,000 divided into 55,25,00,000 equity shares of Rs 2 each and Rs 5,00,00,000 divided into 5,00,000 Preference Shares of Rs 100 each	Rs 65,84,19,856 divided into 32,92,09,928 equity shares of Rs 2 each	U722 00DL 1986 PLC0 23955

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

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



CA (CAA)-90/230/212/ND/2020



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

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

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

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

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

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

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

A. Transferor Co 1:

(i) With respect to Equity Shareholders:

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



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

(ii) With respect to Secured Creditors:

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

(iii) With respect to Unsecured Creditors:

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

B. Transferor Co 2:

(i) With respect to Equity Shareholders:

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

(ii) With respect to Secured Creditors:

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

(iii) With respect to Unsecured Creditors:

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



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



C. Transferee Co:

(i) With respect to Equity Shareholders:

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

(ii) With respect to Secured Creditors:

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


(iii) With respect to Unsecured Creditors:

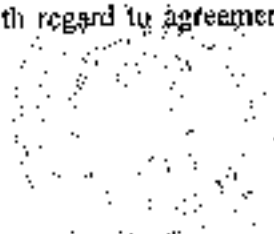
The Meeting of the Unsecured Creditors of the Transferee Co shall be convened on 5th November, 2021 at 2:30 PM at 806, Siddharth 96, Nehru Place, New Delhi-110019 through Video Conferencing or as per the extant Regulations/Circulars of MCA including relevant Secretarial Standards. The quorum of the meeting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

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

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

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


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



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

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

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

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

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



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

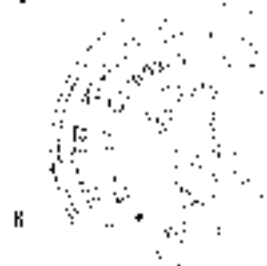
K. Further, notices shall also be served to the Objectors or in their representative, if any, as contemplated under Sub-Section (4) of Section 230 of the Act who may have made representations and who have desired to be heard in their representations along with a copy of the Petition and the Annexures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

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

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



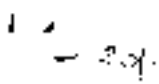
CA (C.A.A.) - 90/201232/ND/2020

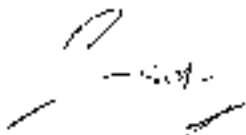


N. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including Forms and Formats contained in the Rules as well as the provisions of the Act by the Petitioners.

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

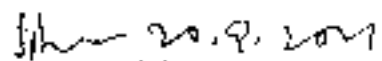
16. The Applications CA (CAA)-90 (ND) of 2020 stands allowed to the extent as stated above and on the aforesaid terms.


(K. K. VOHRA)
MEMBER (T)


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



TRUE COPY
[Stamp]


20.9.2021
Registrar
National Company Law Tribunal
G-30 Complex, New Delhi-110003

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

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

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

Item 512 of 09.09.21

In the Matter of:

Digilife Distribution and Marketing Services Limited

806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferor Company- 1

And

HCL Learning Limited

806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferor Company- 2

With

HCL Infosystems Limited

806, Siddharth 96, Nehru Place, New Delhi-110019

.... Transferee Company

Order Delivered on 24.09.2021

Coram:

Hon'ble P.S.N Prasad, Member (J)

Hon'ble K.K. Vohra, Member (T)

Present:

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

Rectification of Order dated 17.9.21

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

1. In Line 5 of Para 14 A (i) and (iii) line 5 "and 75% in value as provided in Section 230 (6) of the Act" is **deleted**.
2. In Line 5 of Para 14 B (i) and of Para 14 (C) (i), (iii) line 5 "and 75% in value as provided in Section 230 (6) of the Act" is **deleted**.
3. The Para 14 H, is **replaced with** following para "Individual notices for meetings of Unsecured Creditors and Shareholders shall be sent by the Petitioner Cos through

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

14 16
4. Para ^F line 5, the following may be added “For the purpose of computing the quorum, the valid proxy shall also be considered as per applicable Rules/Regulations/Circulars of MCA.”

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

Sd/-

(K. K. VOHRA)
MEMBER (T)

Sd/-

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

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

Item No.-102

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

IN THE MATTER OF:

Digilife Distribution and Marketing Service Ltd. And HCL Infosystems Pvt. Ltd.Applicant

SECTION

U/s 230-232

Order delivered on 07.10.2021

CORAM:

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

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

PRESENT:

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

ORDER

CA/463/2021

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

We have heard the submissions made by the counsel for the applicant. The applicant has prayed for extending the date of meetings from 05.11.2021 to 30.11.2021 or any other date as the Tribunal may deem fit, so that the applicant gets sufficient time so as to give 30 clear days' notices to all the equity





shareholders. Prayer is allowed. The date of meeting is extended from 05.11.2021 to 30.11.2021 and the petitioners are directed to take necessary steps as per law.

Application allowed. IA stands closed.

Sd/-

(K.K. VOHRA)
MEMBER (T)

Sd/-

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

Khushboo

SCHEME OF AMALGAMATION
OF
DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED
(TRANSFEROR COMPANY 1)

AND

HCL LEARNING LIMITED
(TRANSFEROR COMPANY 2)

WITH

HCL INFOSYSTEMS LIMITED
(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



PREAMBLE

1. DESCRIPTION OF THE TRANSFEROR COMPANIES AND THE TRANSFeree COMPANY

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

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

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

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

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

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

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

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

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



2. PURPOSE AND RATIONALE FOR THE SCHEME OF AMALGAMATION

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

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

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

- (a) Consolidation of businesses into one corporate entity which would result in operational synergies for the group.
- (b) Simplification of the corporate structure and reduction of legal entities; and
- (c) Overall reduction in administrative, managerial and other expenditure and optimum utilization of various resources.

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

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



3. PARTS OF THE SCHEME OF AMALGAMATION

The Scheme is divided into the following parts:

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

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

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

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

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



PART – I

4. DEFINITIONS

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

- 4.1 **"Accounting Standards"** means the accounting standards as formulated by the Central Government as recommended by the Institute of Chartered Accountants of India.
- 4.2 **"Act" or "The Act"** means the Companies Act, 2013, to the extent applicable, including the rules and regulations made thereunder and will include any statutory modifications, re-enactments and / or amendments thereof for the time being in force.
- 4.3 **"Applicable Laws"** mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any governmental authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter.
- 4.4 **"Appointed Date"** means the 1st day of April, 2020 or such other date as may be fixed by the Hon'ble National Company Law Tribunal ("NCLT") of judicature at Delhi, or such other competent authority, as may be applicable.
- 4.5 **"Board of Directors" or "Board"** means the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be and includes any committee thereof or persons authorised by the Board or committee thereof.
- 4.6 **"BSE"** shall mean BSE Limited.
- 4.7 **"Effective Date"** means the later of the dates on which certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana by the Transferee Company and the Transferor Companies, as required under the provisions of the Act. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- 4.8 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, New Delhi or any other Bench of the NCLT having jurisdiction in relation to both the Transferor Companies and the Transferee Company.
- 4.9 **"NSE"** means the National Stock Exchange of India Limited.
- 4.10 **"Scheme of Amalgamation" or "Scheme"** means this scheme of amalgamation involving the amalgamation of the Transferor Companies with the Transferee Company as approved, with or without any amendments/modifications.



- 4.11 **“SEBI”** means Securities and Exchange Board of India.
- 4.12 **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited.
- 4.13 **“Transferee Company” or “Amalgamated Company” or “HIL”** means HCL Infosystems Limited having its Corporate Identification Number L72200DL1986PLC023955, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AAACH2420C and Email id of its authorized representative is sushiljain@hcl.com .
- 4.14 **“Transferor Company 1” or “Amalgamating Company 1” or “DDMS”** means Digilife Distribution and Marketing Services Limited having its Corporate Identification Number U72900DL2008PLC175605, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AACCH0076J and Email id of its authorized representative is sushiljain@hcl.com.
- 4.15 **“Transferor Company 2” or “Amalgamating Company 2” or “HCL Learning”** means HCL Learning Limited having its Corporate Identification Number U80900DL2012PLC242907, and registered office situated at 806, Siddharth 96, Nehru Place, New Delhi – 110019 and having PAN as AADCH0304E and Email id of its authorized representative is sushiljain@hcl.com.
- 4.16 **“Transferor Companies” or “Amalgamating Companies”** means DDMS and HCL Learning collectively, which are proposed to be amalgamated into HIL.

EXPRESSIONS NOT DEFINED IN THIS SCHEME

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

5. DATE OF COMING INTO EFFECT

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



6. SHARE CAPITAL

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

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

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

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

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

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

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

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

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



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

PART – II

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

7. TRANSFER AND VESTING OF THE TRANSFEROR COMPANIES

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

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

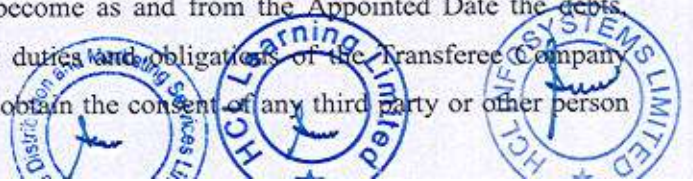
(a) All the movable assets including investments, cash in hand, bank balances and deposits any, of the Transferor Companies capable of being transferred by delivery, shall be handed over by physical delivery to the Transferee Company along with such other documents as may be necessary towards the end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

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

(c) All immovable properties including land together with the buildings and structures standing thereon or under construction (whether free hold, leasehold, leave and licensed or otherwise, including tenancies in relation to warehouses, office space and guest houses and residential premises occupied by the staff and employees of the Transferor Companies), and all documents of title, rights and easements in relation

thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties of the Transferor Companies, if any, shall be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company and shall belong to the Amalgamated Companies in the same and like manner as was entitled to the Transferor Companies. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Transferee Company. Any inchoate title or possessory title of the Transferor Companies shall be deemed to be the title of the Transferee Company.

- (d) All the licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, brought forward losses and unabsorbed depreciation both under books and Income Tax Act, other tax exemptions and/or deferments, amount of tax deposited under protest, bonds with the custom authorities), concessions, grants, rights, claims, leases, tenancy rights, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether before or after the Appointed Date, shall, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become as and from the Appointed Date licenses, permits, approvals, permissions, registrations, incentives (including service tax refunds and accumulated Cenvat credit), tax deferrals and benefits (including income tax, sales tax, customs duty, advance tax, withholding tax receivables, concessions, rights, claims, leases, tenancy rights, special status and other benefits or privileges) of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (e) All assets and properties including licenses, registrations, copyrights, patents, trade names, trademarks, any other intellectual property, whether registered or otherwise, of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.
- (f) All debts, liabilities, contingent liabilities, duties, indemnifications given pursuant to any agreement entered into by the Transferor Companies and obligations of every kind, nature and description of the Transferor Companies shall also, without any further act, instrument or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person



who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties, indemnifications and obligations have arisen, in order to give effect to the provisions of this subclause.

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

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

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

8. BUSINESS AND PROPERTY IN TRUST

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

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



- (b) Any income or profit accruing or arising to the Transferor Companies, as the case may be, and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of the Transferee Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Transferor Companies that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

9. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

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

- (a) The Transferor Companies shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto.
- (b) The Transferor Companies shall not alter or substantially expand the business except with the written concurrence of the Transferee Company.
- (c) The Transferor Companies shall not, without the written concurrence of the Transferee Company, transfer, alienate, charge, mortgage or encumber any of its assets or properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Companies.
- (d) The Transferor Companies shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, save and except, in each case, in the following circumstances:
 - i. If the same is in the ordinary course of business as carried on by the Transferor Companies as on the date of filing this Scheme with Tribunal; or
 - ii. If the written consent of the Transferee Company, as the case may be, has been obtained.
- (e) The Transferor Companies shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Companies.



- 9.2 On the Effective Date but with effect from the Appointed Date, the Transferee Company shall be authorized to carry on the businesses carried on by the Transferor Companies.
- 9.3 The Transferee Company may be allowed to alter its capital structure, either by fresh issue of shares or convertible securities on a rights basis or otherwise or by any reclassification, subdivision, consolidation, re-organisation or in any other manner with the consent of Board of Directors of the Transferee Company.

10. COMPLIANCE WITH TAX LAWS

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

11. LEGAL PROCEEDINGS

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

12. CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which the Transferor Companies is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary,

also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Companies and the Transferee Company, as on the Effective Date shall stand cancelled and cease to operate in the Transferee Company.

13. STAFF AND EMPLOYEES

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

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

14. TREATMENT OF TAXES

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



- 14.2 All taxes (including income tax, sales tax, customs duty, service tax, VAT, etc) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, custom duty, income tax, service tax, excise, value added tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 14.3 The Transferee Company is expressly permitted to file/ revise its income tax, wealth tax, service tax, VAT, sales tax, excise, CENVAT and other statutory returns, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. However, upon the Scheme becoming effective subsequently, the Transferee Company shall have the right to revise and consolidate its financial statements and returns along with prescribed forms, filings and applications/ annexures under the Income Tax Act, 1961, indirect taxes and other tax laws. The Transferee Company is expressly permitted to amend TDS/ TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, foreign tax credits, set offs and adjustments relating to its respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/ duties paid by the Transferor Companies shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of the Transferor Companies.
- 14.4 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

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

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

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



PART - III

15. CONSIDERATION

- 15.1 Since the Transferor Companies are the wholly owned subsidiaries of the Transferee Company, upon the Scheme becoming effective, all the equity shares held by the Transferee Company and its nominees in the Transferor Companies shall stand cancelled and extinguished as on Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies upon the Scheme being effective.
- 15.2 Upon the coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by Transferee Company in the Transferor Companies shall be deemed to be cancelled without any further act or deed for cancellation thereof by Transferee Company.

16. ACCOUNTING TREATMENT

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

- 16.1 Transferee Company shall record all assets, liabilities and reserves of the Transferor Companies vested in Transferee Company pursuant to this Scheme, at the carrying values as appearing in the books of Transferor Companies, as per Para 9 of Appendix C of Ind AS 103.
- 16.2 The amount of investment, if any, in the Transferor Companies, appearing in the books of the Transferee Company shall stand cancelled.
- 16.3 The inter-company balances, if any, appearing in the books of account of Transferor Companies and Transferee Company shall stand cancelled and there shall be no further obligation/outstanding in this respect.
- 16.4 The difference, if any, between the carrying value of assets and liabilities including the reserves and surplus of Transferor Companies recorded as per Clause 16.1 above and after effecting adjustments mentioned in Clause 16.2 and Clause 16.3 above shall be adjusted as per Appendix C of Ind AS 103.



17. COMBINATION OF AUTHORISED SHARE CAPITAL

- 17.1 Upon the Scheme becoming effective, the authorized share capital of Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of Transferee Company by the authorized share capital of Transferor Companies as on the Effective Date and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 13, 14 and 61 and other applicable provisions of the Companies Act, 2013, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized share capital of Transferor Companies shall be utilized and applied to the increased authorized share capital of Transferee Company and no payment of any extra stamp duty and / or fee shall be payable by Transferee Company for increase in the authorized share capital to that extent.
- 17.2 The filing fees and stamp duty already paid by the Transferor Companies on its authorized share capital shall be utilized and applied to increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital. Further, the Transferee Company shall pay the requisite fee, if any, that arises due to the difference in maximum statutory fee as per the Act payable on such combined authorized share capital.
- 17.3 It is hereby clarified that the Transferee Company through its Board, if required, would be entitled to make appropriate reclassification/ combination of its Authorized Share Capital and provide suitable clarifications to the Registrar of Company with regard to the clubbing of the Authorized Share Capital of the Transferor Companies with the Transferee Company.
- 17.4 Pursuant to this Scheme, Transferee Company shall file the requisite forms / documents with the Registrar of Companies, Delhi or any other Applicable Authority for such increase of the authorized share capital.



PART - IV

18. SAVING OF CONCLUDED TRANSACTIONS

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

19. DISSOLUTION OF THE TRANSFEROR COMPANIES

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

20. APPLICATIONS TO THE TRIBUNAL/ OTHER AUTHORITY

- 20.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications to the Tribunal, seeking orders for dispensing with or convening, holding and conducting of the meetings of the shareholders and/ or creditors of the Transferor Companies and the Transferee Company as may be directed by the Tribunal.
- 20.2 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, apply to the Tribunal for sanctioning the Scheme under the applicable provisions of the Act, and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect.

21. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

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



22. EFFECT OF NON-APPROVALS

- 22.1 In the event the Scheme is not sanctioned by the Tribunal for any reason whatsoever or for any other reasons the Scheme cannot be implemented, the Scheme shall become null and void and shall be of no effect and in that event no rights and/or liabilities shall accrue to or be incurred *inter-se* by the Transferor Companies and the Transferee Company and each of the Transferor Companies and the Transferee Company shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 22.2 It is expressly clarified, for the removal of doubt that if any of the components of this Scheme cannot be implemented or effected for any reason whatsoever, the remaining component(s) shall not in any way be affected or impaired and the Scheme with the remaining component(s) shall be implemented.

23. MODIFICATION OR AMENDMENT TO THE SCHEME

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

24. REVOCATION AND SEVERABILITY

- 24.1 In the event of any of the said sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Tribunal or such other appropriate authority and/or order or orders not being passed as aforesaid within such period as may be mutually agreed upon by the respective Board of the Transferor Companies and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.
- 24.2 In the event of any of the conditions that may be imposed by the Tribunal or other authorities and which the Transferor Companies and the Transferee Company may find unacceptable for any reason, then the Transferor Companies and the Transferee Company are at liberty to withdraw the Scheme.
- 24.3 The Board of the Transferor Companies and the Transferee Company shall be entitled to withdraw, revoke, cancel and declare the Scheme of no effect if they are of view that the coming



into effect of the Scheme could have adverse implications on the Transferor Companies and the Transferee Company.

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

25. COMPLIANCE WITH SEBI REGULATIONS

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

26. COSTS, CHARGES AND EXPENSES

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



**MEMORANDUM
AND
ARTICLES OF ASSOCIATION**

HCL INFOSYSTEMS LIMITED



प्राश्य० धार्द० धार०

Form I. R.

निगमन का प्रमाण-पत्र

Certificate of Incorporation

सं०. 23955 1908
 23955 86-87
 No. of

मैं एतद् द्वारा प्रमाणित करता हूँ कि प्राज एव सी. एल. लिमिटेड।

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन नियमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that.....

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

27 वैश्र, 1908

मेरे हस्ताक्षर से प्राज ता०

को दिया गया।

Given under my hand at NEW DELHI

SEVENTEENTH

day of APRIL

One thousand nine hundred and EIGHTY SIX



17/4/86

सूराज कापूर।

कम्पनी रजिस्ट्रार

(SOORAJ KAPOOR)

Registrar of Companies

DELHI & HARYANA

Company No. 23955



Certificate for Commencement of Business

व्यापार प्रारंभ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the HCL LIMITED

मैं एतद द्वारा प्रमाणित करता हूँ कि एच सी एल लिमिटेड।

which was incorporated under the Companies Act, 1956 on 27 वे, 1908
जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक
the SEVENTEENTH day of APRIL 1986

and which has filed a duly verified declaration in the
घोर जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत
prescribed from that the conditions of section 149 (2) (a) to (c)
कर दिया है कि उस ने धारा १४९ (२) (क) से (ग) / १४९ (२) (क) से (ग)
149 (2) (a) to (c) of the said Act, have been complied with, is entitled
को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार प्रारंभ करने का
to commence business.

प्रधिकारी है।

Given under my hand at NEW DELHI
मेरे हस्ताक्षर से आज दिनांक 7 अक्टूबर, 1908

this TWENTY NINTH day of JULY

One thousand nine hundred and EIGHTY SIX
को जारी किया गया।



(SOORAJ KAPOOR)

Registrar of Companies

कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

COMPANY NO. 55-23955.


In the Office of the Registrar of Companies, Delhi & Haryana
(under the Companies Act 1956 (1 of 1956))

IN THE MATTER OF H C L LIMITED

I hereby certify that H C L LIMITED
Limited, which was originally incorporated on SEVENTEENTH
day of APRIL One thousand nine hundred 86
under the ~~INDIAN COMPANIES ACT, 1913~~/Compan-
ies Act, 1956 (Act 1 of 1956) under the name H C L LIMITED
~~XXXXXX~~, having duly
passed the necessary resolution in terms of section 21 of the
Companies Act, 1956 and the approval of the Central Government
signified in writing having been accorded thereto under
section 21 read with Government of India, Department of Company
Affairs Notification No.G.S.R. 507 (E) dated 24.6.1985 by
Registrar of Companies, Delhi & Haryana, New Delhi vide letter
No. 21/55-23955/21675 dated 26.12.91
the name of the said Company is this day changed to
H C L HEWLETT-PACKARD LIMITED
Limited and this Certificate is issued pursuant to Section
23(1) of the said Act.

Given under my hand at NEW DELHI This TWENTY SEVENTH
day of DECEMBER One thousand nine hundred and NINETY ONE.




(V.S. GALDALI)
~~XXXXXXXXXX~~ REGISTRAR OF COMPANIES,
DELHI AND HARYANA.



COMPANY NO. 55-23955

**FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME**

*In the Office of the Registrar of Companies, N.C.T. Of Delhi & Haryana
[under the Companies Act, 1956 (1 of 1956)]*

IN THE MATTER OF HCL HEWLETT-PACKARD LIMITED

I hereby certify that HCL HEWLETT-PACKARD LIMITED

which was originally
incorporated on SEVENTEENTH day of APRIL
One Thousand Nine Hundred EIGHTY SIX under the
Companies Act, 1956 (Act 1 of 1956) under the name HCL LIMITED

having duly passed the necessary
resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the
Central Government signified in writing having been accorded thereto under Section 21
read with Government of India, Department of Company Affairs Notification No. G.S.R.
507(E) dated 24-6-1985 by Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi
vide letter No. 21/55-23955/577 dated 8.9.97 the name of the said Company
is this day changed to HCL INFOSYSTEMS LIMITED

and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at NEW DELHI this NINTH
day of SEPTEMBER One Thousand Nine Hundred and Ninety SEVEN



N.N. Jha
(N.N. JHA)

ADDL. REGISTRAR OF COMPANIES,
N.C.T. OF DELHI AND HARYANA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L72200DL1986PLC0023955

मैसर्स HCL INFOSYSTEMS LIMITED

छे अंशधारकों ने दिनांक 15/10/2007 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

मेरे हस्ताक्षर द्वारा दिल्ली में यह प्रमाण-पत्र, आज दिनांक उन्नीस अक्टूबर दो हजार सात को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, National Capital Territory of Delhi and Haryana

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

Corporate Identity Number : L72200DL1986PLC0023955

The share holders of M/s HCL INFOSYSTEMS LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 15/10/2007 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Delhi this Nineteenth day of October Two Thousand Seven.

(KLAIR ANITA)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies
राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पता पर का पता :

Mailing Address as per record available in Registrar of Companies office:

HCL INFOSYSTEMS LIMITED
806 SIDHARTH'S NEHRU PLACE, NEW DELHI - 110019,
Delhi, INDIA



GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Delhi
4th Floor, IFCI Tower, 61, Nehru Place, New Delhi, Delhi, INDIA, 110019

Corporate Identity Number : L72200DL1986PLC023955.

SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The share holders of M/s HCL INFOSYSTEMS LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 12/05/2015 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Delhi this Twentieth day of May Two Thousand Fifteen.

Signature valid
Digitally signed by
Ruvit Kumar
DN: cn=Ruvit Kumar,
o=Registrar of Companies,
ou=Delhi, email=ruvit.kumar@delhi.nic.in

Ruvit Kumar
Registrar of Companies
Registrar of Companies
Delhi

Mailing Address as per record available in Registrar of Companies office:

HCL INFOSYSTEMS LIMITED
806 SIDDHARTH96 NEHRU PLACE, NEW DELHI - 110019,
Delhi, INDIA



THE COMPANIES ACT, 2013
AND
THE COMPANIES ACT, 1956 (to the extent applicable)
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
HCL INFOSYSTEMS LIMITED

- I. The name of the Company is HCL INFOSYSTEMS LIMITED.
- II. The Registered Office of the Company will be situated in the NCT of Delhi.
- III. The Objects for which the Company is established are:
- A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
- (1) To carry on in India or anywhere in the world, all or any of the following business or businesses as designers, assemblers, buyers, sellers, manufacturers, processors, dealers, retailers, traders, stockiest, distributors, importers, exporters, remodelers, installers, repairers, converters, overhaulers, representatives, developers, agents, hirers, cleaners, storers and lessors and service providers as principals, agents, contractors or otherwise deal in products and services in-
- (a) the field of engineering in all or any of the fields of electronics, electrical, telecommunications, mechanical, chemical, solar and renewable energy, consumer lighting products and civil engineering;
- (b) all kinds of plant, machinery, equipment, apparatus, implements, parts, components, spares, batteries, accessories, assemblies, sub-assemblies and other devices and scientific or other instruments, precision tools, moulds and other equipment (including, but not limited to and in particular computers, accessories and peripherals thereof, digital products, electronic aids and appliances, copiers, microfilm readers and processors and other reprographics equipment, hardware and software for electronic and electro-mechanical and other related equipment and other ancillary items) and any other articles, products, by-products, materials, appliances, spares and accessories, apparatus and substitutes thereof;
- (c) technical know-how and consultancy services in the field of electronics and electrical, telecommunications and mechanical, chemical and civil engineering, particularly those requiring use of sophisticated technology, including, but not limited to, the provision of facilities and collection and dissemination of knowledge for manufacture, hire and use of equipment and devices for commercial exploitation thereof and of any patents, know-how, rights or privileges for the time being acquired by or belonging to the Company;
- (d) information technology based and enabled services, electronic remote processing, e-services, including, but not limited to, all types of internet based / web enabled services, software development, transaction processing, fulfillment services, business support services including, but not limited to, providing related services of all kinds and description to establish and operate service processing centers for providing services for back office and processing requirements, contracting and communicating to and on behalf of customers by voice, data image, letters using dedicated domestic and/or international private lines, and to handle business process management, remote help desk

As amended by resolution passed at the Extra Ordinary General Meeting held on 26-08-1997

As amended vide shareholders resolution passed through postal ballot, result whereof was declared on 12th May, 2015

management, remote management, remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter / facsimile based communication, knowledge storage and management, data management, warehousing, search, integration and analysis for financial and non-financial data;

- (e) providing and supply of end-to-end Technology Solutions including, but not limited to, information technology, turnkey solutions, systems integration of software, software and content, computers, peripherals networking and communication components, cabling, power supply equipment, appropriate fixtures, metering and monitoring devices, conventional and broad-band wireless, wireline and optical communications equipment, telecommunication infrastructure development and support services and other solutions to all Government authorities and other private entrepreneurs;
 - (f) all types, varieties and kind of telecommunication and electronic equipment, instruments, cellular telephone units and systems, components, accessories, assemblies, apparatus, spares, hardware thereof existing or that may be invented in future, and to acquire, develop, install, maintain and run all type of services in the telecommunication (including, but not limited to, cellular mobile telephone or fixed telephone) information technology, electronics and multimedia and also to manufacture, produce, acquire, import, export and deal in any manner in any product relating to telecommunication (including, but not limited to, cellular mobile telephone and fixed telephone), electronics, information technology (including, but not limited to, product and accessories), multimedia and enterprise products and provide installation and consultancy services in relation to the same;
 - (g) technology infrastructure on premise or off premise (cloud), provide content through this infrastructure and support or service such infrastructure;
 - (h) all types of goods, things, articles, merchandise including, but not limited to, electronic, electric digital, multimedia, consumer durables and domestic appliances including, but not limited to, all types of home-appliances, spare parts and accessories, equipment, product system, components, devices, apparatus and all type of machineries, appliances, apparatus, devices, materials, substances and component parts thereof and other materials used in or in connection with electronic, electric, digital, multimedia, consumer durables and domestic appliances industries;
 - (i) specialty solutions including, but not limited to, safety, security and surveillance devices, equipment, enterprise lighting products, products, systems, services, applications and projects and enterprise software;
 - (j) high end technology products including, but not limited to products equipped with electronic gadgets, camera and other devices, which may be installed or embedded or otherwise be part of attire or part of clothing which may be worn by a person.
- (2) To conceive, design, develop, set up and maintain integrated techno townships, technology parks, software parks, electronic and hardware technology parks, cyber cities, smart cities, digital infrastructure, electronic delivery of services, e-governance and e-commerce systems, workflow automation, Special Economic Zones / STP/ EHTP and to carry on business of all allied activities relating thereto including, but not limited to, services and to be part of any software and / or information technology parks in India or anywhere in the world and to acquire or hold any estates, or interest and to let, sub-let in whole or in part, develop, manage and exploit any lands and buildings and assets, rights, privileges and property of any kind, necessary or convenient for all or any business of the company.
 - (3) To own, run, manage, administer or acquire in India or anywhere in the world, schools, colleges, education institutions, training centers or skill development centers for education, training or skill development and to develop software and contents for instructional material and educational and training curricula.

- (4) To carry on in India or anywhere in the world all or any of the above business activities in any manner, including through conventional physical means or through electronic means including, but not limited to, e-commerce using computers through online platforms or through online marketplace or using mobile devices.

B. THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A :

1. To enter into any contract, agreement, arrangement or other dealings in the nature of collaboration or otherwise including entering into partnership and/or filling in tenders for various contracts, which may seem profitable or beneficial to the Company.
2. To purchase or otherwise acquire, construct, erect, laydown, maintain, enlarge, alter, work and use all land and buildings, easements, gas, other works, machinery, plant, mills, stock, lamps, pipes, motors, fittings, meters, apparatus, materials and things as may be necessary, incidental or convenient, in connection with the production, use, storage, regulation, measurement, supply and distribution of any of the products of the Company.
3. To purchase, take on lease or in exchange, hire, renew or otherwise acquire and hold any estates, or interests and to let, sub- let whole or in part, develop, manage and exploit any lands, buildings, machinery, easements, rights, privileges, plant, stock- in-trade, business concerns, options, contracts, claims, choses-in-action, and any real and personal property of any kind, necessary or convenient for all or any business of the Company.
4. To apply for, aid in promoting and obtain any act of Parliament, charter, privilege, concession, license or authorisation of any Government or State or Municipality, provisional order or licence of any authority for enabling the Company to carry any of its objects into effect or for use thereof, which may seem capable of being used for or in connection with any of the purposes of the Company on payment of any fee, royalty or other consideration and to use, exercise or develop the same and manufacture under or grant licences in respect thereof or sell or otherwise deal with the same.
5. To procure the Company to be registered or recognised in any country or place in any part of the World.
6. To enter into partnership or any arrangement or agreement with any Governments or Authorities, supreme, municipal, local or otherwise or any person or company or any of them for sharing profits, union of interests, exchanging of shares, joint venture, reciprocal concession or co-operation and engage in any business or transactions which the company is authorised to carry on and to obtain from such government, authority person or company any rights, privileges, charters, contracts, licenses and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply there with.
7. To promote, form and register, and aid in the promotion, formation and registration of any company or companies, subsidiary or otherwise, for the purposes of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to transfer to any such company or any other company any property of the Company and to be interested in or take or otherwise acquire, hold, sell, or otherwise dispose of shares, stock, debentures and other securities in or of any such company or any other company for all or any of the objects mentioned in this memorandum, and to undertake other works, duties and business of any company on such terms as may be arranged for the purpose of Part A of the objects clause of the Company.
8. Subject to the provisions of the Companies Act, 2013 and Companies Act, 1956 (to the extent applicable) (hereinafter, "Act"), to invest in, other than investment in Company's

own shares, and deal with the moneys of the Company not immediately required in such manner as may from time to time be expedient or be determined.

9. Subject to the Act, to amalgamate with any other Company in any manner whatsoever (whether with or without liquidation of the Company) having objects altogether or in part similar to those of this company.
10. Subject to the provisions of the Act, to invest money with or without security and generally make advances of such sum or sums of money upon or in respect of or for the purchase of raw materials, goods, machinery, stores, or any other property, articles and things required for the purpose of the Company with or without security and upon such terms and subject to such conditions as the Company may deem expedient.
11. To purchase or otherwise acquire and undertake including or by merger, amalgamation or otherwise, the whole or any part of the business, property, rights, assets, liabilities and obligations of any persons, firm or company carrying on any business which the Company is authorised to carry on or possessed of property or rights suitable for any of the purposes of the Company.
12. To lend money to such persons or companies in such manner and on such terms as may seem expedient and in particular to members of the staff, customers, and others having dealings with the Company and to guarantee performances of contracts by any such persons or companies, provided that the Company shall not carry on any business which may come within the purview of the Banking Regulation Act, 1949 or of the Insurance Act, 1938.
13. Subject to the provisions of the Act, and the Rules made thereunder and the directions issued by the Reserve Bank of India, to borrow, or raise or secure the payment of money or to receive money on deposit at interest for any of the purpose of the Company, and at such times and in the manner as may be thought fit and in particular by the issue of debentures, perpetual or otherwise, debentures convertible into shares of this or any other Company or perpetual annuities and as security for any such money so borrowed, raised or received or any of such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company, present or future, including its uncalled capital by assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem and pay off any such securities.
14. To mortgage, hypothecate, pledge all or any of the properties whether movable or immovable of any description and other valuable securities of the Company.
15. To draw, make, accept, endorse, discount, execute, issue, negotiate and/or assign cheques, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bills of lading, railway receipts, warranties and all other negotiable or transferable instruments.
16. To open an account or accounts with any individual, firm or company or with any bank or banks or bankers or shroffs and to pay into and to withdraw money from such account or accounts.
17. To pay for any property or rights acquired by or for any services rendered to the Company either in cash or fully or partly paid up shares, with or without preferred rights in respect of dividend or repayment of capital or otherwise by any securities which the Company has the power to issue or by the grant of any rights or options, or partly in one mode and partly in other, and on such terms as the Company may determine.
18. To pay, out of the Funds of the Company, all costs, charges and expenses of and incidental to the formation and registration of the Company, and any company promoted by the Company and any such other company and incidental to the negotiations between

the promoters preliminary to the formation of the Company and other pre-incorporation or preliminary and other expenses and also all costs, charges, impositions and expenses of and incidental to the acquisition by the Company of any property or assets and incidental to the accomplishment of all or any formalities which the Company may think necessary or proper in connection with any of the aforesaid purposes.

19. To grant pensions, allowances, gratuities and bonuses to existing or former employees and officers (including Directors) of the Company or their dependents or connections and to make payments towards insurance for any such purpose/persons and to establish, join and support any trust funds or scheme (whether contributory or non-contributory) with a view to provide pensions or allowances for any such person or any other associations, institutions, trusts, funds, schemes, clubs and conveniences calculated to benefit any such person.
20. Subject to the provisions of the Act, to make donations to such person or persons either in cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and to subscribe, contribute or otherwise assist or grant money for charitable, scientific, religious, benevolent, national, public or other institutions or objects or for any exhibition or for any public, general or other objects and to establish, support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences for the benefit of the employees or of persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.
21. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building houses and/or contributing to the pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.
22. To compensate for loss of office, any Managing Director or Directors or other officers of the Company within the limitations prescribed under the Companies Act, or other statute or rule having the force of law and to make payments to any person whose office, employment or duties may be determined by virtue of any transaction in which the Company is engaged.
23. Subject to the provisions of the Act, to create any reserve funds, sinking fund, insurance fund or any other special funds whether for depreciation, for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interest of the Company.
24. Subject to the provisions the Act, to distribute as dividend or bonus among the members or to place to reserve or otherwise to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company, any moneys otherwise available for distribution as dividend or bonus.
25. Subject to the provisions to the Act, to distribute among the members in specie, all or any property of the Company, or any proceeds of sale or disposal of any property of the Company, in the event of winding up of the Company but, so that no distribution amounting to reduction of capital be made except with the sanction, if any for the time being required by law.
26. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or

securities of any other Company having objects altogether or in part similar to those of the Company.

27. To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Company.
 28. To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trusts in favour of the Company.
 29. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the objects mentioned in Part A of the objects clause or any of them in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise, and either alone or in conjunction with others.
 30. To undertake Corporate Social Responsibility ('CSR') activities.
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs. 1,15,50,00,000/- (Rupees One Hundred Fifteen Crores Fifty Lacs only) divided into 55,25,00,000 (Fifty Five Crores Twenty Five Lacs) Equity Shares of Rs. 2/- (Rupees Two only) each and 5,00,000 (Five Lacs) Preference Shares of Rs 100/- (Rupees One Hundred only) each.

As amended vide shareholders resolution passed through postal ballot, result whereof was declared on 12th May, 2015

Share Capital as amended :

- vide shareholders resolution dated 19-10-2006 and
- Pursuant to scheme of arrangement approved by Hon'ble Delhi High Court vide order dated 18-09-2013

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:-

S.No.	Name, addresses, descriptions and occupations of subscribers	No. & class of shares taken by	Signature of subscriber	Name address & description of witness
1.	SIVA PRASAD SIVA SUBRAMANIAM NADAR S/o Late Shri S.S. Nadar 100, Friends Colony (East) New Delhi – 110 065 (ENGINEER)	1 (One) Equity Share	Sd/-	I witness the Signatures of the seven subscribers Sd/- M.M. Khanna S/o Sh. K.C. Khanna (Chartered Accountant (Membership) No. 7517 H-96, Connaught Circus New Delhi – 110 001
2.	ARJUN MALHOTRA S/o Shri Mehr Chand Malhotra 143, Golf Links New Delhi – 110 003 (ENGINEER)	1 (One) Equity Share	Sd/-	
3.	YOGESH CHANDRA VAIDYA S/o Late Shri S.L Vaidya S-15, Greater Kailash I New Delhi – 110 048 (ENGINEER)	1 (One) Equity Share	Sd/-	
4.	SUBRAHAMANYAN RAMAN S/o Shri S.M. Subrahmanyam B-5/5 Vasant Vihar New Delhi – 110 057 (ENGINEER)	1 (One) Equity Share	Sd/-	
5.	DEVENDER SHINGH PURI S/o Late Shri S.S. Puri C-538, Defence Colony New Delhi – 110 024 (BUSINESS EXECUTIVE)	1 (One) Equity Share	Sd/-	
6.	PALGHAT SUBRAMANIAM VISWANATHAN S/o Shri P.V. Subramaniam E-47/48, Greater Kailash Enclave - 1, New Delhi - 110 048 (BUSINESS EXECUTIVE)	1 (One) Equity Share	Sd/-	
7.	K.P. GOPALKRISHNAN NAIR S/o Shri N.P. Panicker C-96, Greater Kailash – 1 New Delhi – 110 048 (SERVICE)	1 (One) Equity Share	Sd/-	
	Total no. of share taken	7 (Seven) Equity Shares		

Dated this 5th day March, 1986 at New Delhi

THE COMPANIES ACT, 2013
AND
THE COMPANIES ACT, 1956 (to the extent applicable)
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION*
OF
HCL INFOSYSTEMS LIMITED

1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act (hereinafter defined) or any statutory modification thereof in force at the date at which the Articles become binding on the Company. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith: Interpretation

“Act” means the Companies Act, 2013 and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force and any previous company law, so far as may be applicable. Words and expressions used in the Articles shall bear the same meaning as used in the Act or the Rules, as the case may.

“Annual General Meeting” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjourned holding thereof.

“Articles” means these Articles of Association as adopted or as from time to time altered by special resolution.

“Auditors” or **“Auditor”** means the auditor or auditors of the Company appointed in pursuance of the provisions of Section 139 of the Act.

“Beneficial Owner” means the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act.

“Board of Directors” or **“Board”** means the board of directors for the time being of the Company and includes a committee constituted by the board (**“Committee”**).

“Company” means “HCL INFOSYSTEMS LIMITED”.

“Depositories Act” means the Depositories Act, 1996 and includes where the context so admits, any statutory modification or re-enactment thereof.

“Depository” means a depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act.

“Directors” means the directors for the time being of the Company.

“Dividend” includes interim dividend but excludes bonus Shares.

“Equity Listing Agreement” means the agreement entered into with the Exchange for listing of equity Shares and includes where the context so admits any amendment or modification thereof for the time being in force.

“Exchange” means the Stock Exchange or Exchanges where the shares of the Company are listed for the time being.

“Independent Director” means a person as defined in Section 149(6) of the Act and/or Clause 49 of the Equity Listing Agreement entered into with the Exchange including any statutory modifications or re-enactments thereto.

“Key Managerial Personnel” means the persons as defined in Section 2(51) of the Act.

“Managing Director” means the managing director or the deputy managing director or the joint managing director for the time being of the Company by whatever name called appointed in accordance with the Act and these Articles.

*New set of articles of association adopted vide shareholders resolution passed through postal ballot, result whereof was declared on 12th May, 2015

“**Office**” means the registered office for the time being of the Company.

“**Register**” means the Register of Members of the Company required to be kept under Section 88 of the Act.

“**Registrar of Companies**” means the registrar of companies of the State in which the Office is for the time being situated.

“**Rules**” means the rules framed by the Ministry of Corporate Affairs (**‘MCA’**) under the Act, as amended from time to time.

“**Member**” or “**Shareholder**” means a Person as defined in Section 2(55) of the Act.

“**Memorandum**” means the Memorandum of Association of the Company.

“**Month**” means the English Calendar month.

“**Seal**” means the common seal of the Company.

“**Paid up**” includes credited as paid up.

“**Share Capital**” means the capital for the time being raised or authorised to be raised for the purposes of the Company.

“**Shares**” means the shares into which the capital is divided and interests corresponding to such Share.

“**Person**” includes any corporation as well as individual.

“**Proxy**” includes attorney duly constituted under a power of attorney appointed in accordance with the provisions of the Act and the Rules.

“**In Writing**” and “**Written**” includes printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number also include the plural number and vice-versa.

Table ‘F’ not to apply	2.	The regulations contained in these Articles of Association shall overrule the regulations contained in Table “F” in the Schedule I to the Companies Act, 2013. The Articles of Association referred to in this paragraph shall be subject to any exercise of the statutory power of the Company in reference to the repeal or alteration thereof, or addition to its regulations by special resolution, as prescribed by the Act and the Articles of Association shall refer to the Articles as existing from time to time.
Company not to purchase its own Shares	3.	Save as permitted by Section 67 of the Act, the funds of the Company shall not be employed in the purchase of security, Shares in the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for Shares in the Company or any company of which it may, for the time being, be a subsidiary. The Articles shall not be deemed to effect the power of the Company to enforce repayment of loans to Members or to exercise a lien conferred by Article 31.
Purchase of own Shares	4.	Subject to Sections 68 and 70 of the Act, the Company may purchase its own Shares or other specified securities out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force.
Registered Office	5.	The Office shall be at such place as the Board of Directors shall determine subject to provisions of the Act.

SHARES

Share Capital	6.	a) The Authorised Share Capital of the Company is as stated in Clause V of the Memorandum with the rights, privileges and conditions attached thereto as are provided by the Articles for the time being. The Company shall have power to increase, reduce, consolidate, sub-divide or otherwise alter the Share Capital and to divide the Shares in the Share Capital for the time being into several classes and to attach thereof respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being.
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b)	Subject to the provisions of these Articles and of the Act, the Company shall have power to issue preference Shares which may, at the option of the Company, be liable to be redeemed out of the profits or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption. The Board may, subject to the provisions of Section 55 of the Act and the Companies (Share Capital and Debenture) Rules, 2014, exercise such power in such manner as it may think fit.	Redeemable Preference Shares
c)	In respect of terms of issue of Shares the provisions of Articles 53, 54, 55, 56 and 57 shall apply.	
d)	The Company shall be entitled to dematerialize all or any of its existing securities, rematerialize all or any of its securities held in the Depositories and / or to offer its fresh Shares or buyback its Shares in a dematerialized form pursuant to the Depositories Act and the relevant Rules, if any.	Dematerialisation of Shares
(e)	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.	Option to receive securities certificates or hold Shares with Depository
(f)	If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.	
(g)	All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.	Securities in Depositories
(h)	Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.	Rights of Depositories and Beneficial Owners
(i)	Save as otherwise provided in (a) above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.	
7.	Subject to the provisions of these Articles, the Act and the Rules, the Shares shall be under the control of the Board, who may issue, allot or otherwise dispose off the same or any of them, on such terms and conditions, at such times, either at par or at a premium and for such consideration as the Board thinks fit.	Allotment of Shares
8.	The Company may, subject to the Act issue any part or parts of the unissued Shares (either equity or preference carrying a right to redemption out of the profits or liable to be so redeemed at the option of the Company) upon such terms and conditions and with such rights and privileges annexed thereto as the Board at their discretion may think fit and proper. Subject to the provisions of the Act and the Rules, in particular, the Board may issue such Shares with such preferential or qualifying rights to dividends and for the distribution of the assets of the Company as the Board may subject to the aforesaid sections, determine from time to time.	Power to issue Shares
9.	The Company may exercise the power of paying commission conferred by Section 40(6) of the Act and in such case shall comply with the requirements of that section and Rules. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares or debentures pay such brokerage as may be lawful.	Commission and Brokerage
10.	If by the conditions of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the Share or by his executor or administrator.	Installment of Shares to be duly paid
11.	The joint-holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Share.	Liability of joint holders of Shares
12.	Subject to Section 89 of the Act, save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognise any equitable or any other claim to or interest in such Share on the part of any other person.	Trust not recognised

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| Who may be registered | 13. Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint holders of any Share. |
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SHARE CERTIFICATES

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| Authority to issue Share Certificates | 14. Subject to the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof, Share certificates shall be issued as follows: <ul style="list-style-type: none"> i) The certificates of title to Share and duplicate thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of: <ul style="list-style-type: none"> a) two Directors duly authorized by the Board for the purpose or the Committee of the Board if so authorized by the Board, and b) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such Share certificate provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole time Director. c) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the director, or any body entrusted with the duty to take care of the same shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. |
| Members right to Certificate | ii) Every Member shall be entitled free of charge to one certificate for all the Shares of each class registered in his name or if the Board so approves to several certificates each for one or more of such Shares. Such certificate shall be issued in accordance with the provisions of the Act and Rules. In respect of any Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders. Provided, however, no Share certificate(s) shall be issued for Shares held by the "Beneficial Owner(s)" with the Depository. Provided that notwithstanding what is stated above the Company shall comply with such rules or regulations or requirements of any Stock exchange or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. |
| Fees on issue of new Share certificate, registration of probates etc. | iii) No fee shall be charged for: <ul style="list-style-type: none"> a) Sub-division and consolidation of Share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading. b) Sub-division of renounceable Letters of Right. c) Issue of new certificates in replacement of those which are old, decrepit or worn-out or where the cages on the reverse for recording transfers have been fully utilized. d) Registration of any Power of Attorney, Probate, Letter of Administration or similar other documents. |

CALLS

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| Calls | 15. The Board may, from time to time, subject to the sanction of shareholders and subject to the terms on which any Shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed. |
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| 16. | Not less than thirty (30) days notice of any call shall be given specifying the time and place of payment and to whom such call be paid. | Restriction on power to make calls and notice place of payment and to whom such call be paid |
| 17. | <p>i) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holder for the time being in respect of the Share for which the call shall have been made or the instalment shall be due, shall pay interest for the same at maximum rate, as prescribed in the Act or Rules or under any other law for the time being in force, from day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Board may determine.</p> <p>ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.</p> | Payment of interest on call |
| 18. | If by the terms of any Share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the amount of the Share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly. | Amount payable at fixed times or payable in installments on calls |
| 19. | On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register as a holder, or one of the holders of the number of Shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. | Evidence in action by Company against shareholders |
| 20. | The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the money due upon the Share held by him beyond the sums actually called for and upon the money so paid or satisfied in advance, or so in respect thereof as from time to time exceeds the amount of the calls then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate as may be fixed by the Board. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such a Member not less than three (3) month's notice in writing. | Payment of calls in advance |
| 21. | A call may be revoked or postponed at the discretion of the Board. | Revocation of call |

FORFEITURE AND LIEN

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| 22. | If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time, thereafter during such time as the call or installment remains unpaid, serve notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. | If calls or installment not paid notice may be given |
| 23. | The notice shall name a day (not being less than thirty (30) days from the date of notice) and the place or places on and at which such call or installment and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the Shares in respect of which such call was made or installment is payable will be liable to be forfeited. | Date and place of payment of call |
| 24. | If the requirements of any such notice as aforesaid not be complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. | If notice is not complied with, Share may be forfeited |
| 25. | When any Share shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by an omission or neglect to give such notice or to make such entry as aforesaid. | Notice after to forfeiture |
| 26. | Any Share so forfeited shall be deemed to be the property of the Company and the Board may | Forfeited Share to become property of the Company |

sell, re- allot or otherwise dispose of the same in such manner as it thinks fit.

Power to cancel	27.	The Board may, at any time before any Shares so forfeited shall have been sold, re-allotted or otherwise disposed off, cancel the forfeiture thereof upon such conditions as it thinks fit.
Liability on forfeiture	28.	A Person whose Share has been forfeited shall cease to be a Member in respect of the Share, but shall, notwithstanding the forfeiture, remain liable to pay and shall forthwith pay to the Company, all calls or all installments, interest and expenses, owing upon or in respect of such Share, at the time of the forfeiture, together with interest thereon, from the due date to the time of actual payment at such rate as may be fixed by the Board and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under an obligation to do so.
Evidence of forfeiture	29.	A duly verified declaration in writing that, the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board resolution to act as declarant and that certain Shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof shall constitute a good title to such Shares and the Person to whom any such Share is sold shall be registered as the holder of such Share and shall not be bound to see the application of purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.
Forfeiture provisions to apply to non- payment in terms of issue	30.	The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of Share, becomes payable at a fixed time, whether on account of the nominal value of a Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Company's lien on Shares	31.	The Company shall have a first and paramount lien upon every Share not being fully paid up, registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such Share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any Share shall be created except as otherwise provided in the Articles. Such lien shall extend to all dividends from time to time declared in respect of such Share subject to the provisions of Section 124 of the Act and also to bonus declared on the shares. Unless otherwise agreed, the registration of a transfer of a Share shall operate as waiver of the Company's lien if any, on such Share.
Enforcing lien of sale	32.	For the purpose of enforcing such lien, the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such a Member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such Share for thirty (30) days after the date of such notice.
Application of proceeds of sale	33.	The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Share before the sale) be paid to the Persons entitled to the Share at the date of this sale.
Validity of sales in exercise of lien and after forfeiture	34.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some persons to execute an instrument of transfer of the Share sold and cause the purchaser's name to be entered in the Register in respect of the Share sold and the purchaser shall not be bound to see the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such Share the validity of the sale shall not be impeached by any Person, and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.
Board may issue new certificate	35.	Where any Share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such Share, the Board may issue a new certificate for such Share distinguishing it in such manner as it may think fit from the certificate not so delivered.

TRANSFER AND TRANSMISSION

36.	The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014, shall be duly complied with in respect of all transfers of Shares and the registration thereof.	Execution of transfer, etc.
37.	Nothing contained in the foregoing Article shall apply to transfer of securities affected by the transferor and transferee both of whom are Beneficial Owners with the Depository.	Transfer of Demat Shares
38.	Application for the registration of the transfer of a Share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall, in the case of a partly paid Share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act and the Companies (Share Capital and Debentures) Rules 2014 and subject to provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.	Application by transfer
39.	The instrument of transfer shall be in the form prescribed by the Act and the Companies(Share Capital and Debentures) Rules 2014, made thereunder	Form of transfer
40.	Nothing contained in the foregoing article shall apply to transfer of securities affected by the transferor and transferee both of whom are Beneficial Owners with the Depository.	Form of transfer of Demat Shares
41.	Subject to the provisions of these Articles, and of Section 58 or any other applicable provisions of the Act and Equity Listing Agreement or any other applicable provisions of any other law for the time being in force or any statutory modification(s), the Board, may on sufficient cause, refuse to register any transfer of shares or the transmission of shares by operation of law of the right to a Share.	In what cases the Board may refuse to register transfer
42.	No transfer shall be made to a person of unsound mind and no transfer of partly paid Shares shall be made to a minor.	No transfer to a person of unsound mind etc.
43.	Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the Share and such other evidences as the Board may require to prove the title of the transferor or his right to transfer the Share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, shall be returned to the person depositing the same.	Instrument of transfer left at Office when to be retained
44.	If the Board refuses whether in pursuance of Article 41 or otherwise to register the transfer of, or the transmission by operation of law of the right to any Share, the Company shall, within the time prescribed by the Act, Rules or Equity Listing Agreement send the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.	Notice of refusal to register transfer
45.	No fee shall be payable to the Company in respect of transfer or transmission of any Shares in the Company.	Fee on registration of transfer
46.	The executor or administrator of a deceased Member (not being one of several joint-holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member and in case of the death of any or more of the joint-holders of any registered Share, the survivor shall be the only person recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint- holder from any liability on the Share held by him jointly with any other person. Before recognising any executor or administrator, the Board may require him to obtain a Grant or Probate or Letters of Administration or other legal representation, as the case may be from a competent Court in India, provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense, Letters of Administration or such other legal representation upon such terms as to indemnity, as it considers proper.	Transmission of registered Shares
47.	Any committee or guardian of a lunatic or minor Member or any person becoming entitled to transfer a Share in consequence of the death or bankruptcy or insolvency of any Member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a Member in respect of	Transfer of Shares of insane, minor, deceased, or bankrupt Members

such Share, or may, subject to the regulations as to transfer hereinbefore contained transfer such Share.

Election under
Transmission

48. i) If the person so becoming entitled under transmission shall elect to be registered as a holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- ii) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer of the Share.
- iii) All the limitations, restrictions and provisions, of these Articles relating to the right to transfer and the registration of instruments of transfer of a Share shall be applicable to any such notice or transfer as aforesaid, as if the death, lunacy, bankruptcy or insolvency of the Member had not occurred.

Rights of persons entitled
to Shares under
Transmission

49. A person so becoming entitled under transmission to a Share by reason of death, lunacy, bankruptcy of the holder shall, subject to the provisions of Article 82 and of Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Share, except that he shall not before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within the time fixed by the Board, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

Nomination of Shares

- 50 i) Every holder of Shares in, or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or debentures of, the Company shall vest in event of his death.
- ii) Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all joint holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holder becomes entitled to all the rights in the Shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of the debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares in, or debentures of the Company, in the event of his death, during minority.
- v) Any person who becomes a nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the Share(s) or debenture(s) as the case may be; or to make such transfer of the Share(s) or debenture(s) as the deceased shareholder or debenture holder, as the case may be, could have made.
51. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

INCREASE AND REDUCTION OF CAPITAL

Power to increase

52. The Company may by an ordinary resolution passed by the Members in a general meeting or by Postal Ballot, increase its capital, from time to time, by creation of new Shares of such amounts as may be deemed expedient in accordance with the applicable provisions of the Act.

53.	Subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the new Shares or the existing unissued Shares of any class may be issued. In the case of new Shares upon such terms and conditions, and with such rights and privileges attached thereto as the shareholders resolving in a general meeting upon the creation thereof, shall direct, and if no directions be given, and in the case of existing unissued Shares as the Board subject to the Act shall determine, and in particular in the case of preference Shares such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with rights of redemption.	On what conditions new Shares may be issued
54.	Subject to the provisions of Section 54 of the Act and subject to any special rights or privileges for the time being attached to any Shares in the capital of the Company then issued, the Company may issue equity Shares to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called or for the performance of past or future services.	Issue of Sweat Equity Shares to employees or Directors
55.	<p>(a) Before the issue of any new Shares, the Company in a general meeting or through Postal Ballot may make provisions as to the allotment and issue of the new Shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium and upon default of any such provisions, or so far as the same shall not extend, the new Shares may be issued in conformity with the provisions of Article 7.</p> <p>(b) Subject to the provisions of the Act, where the new Shares are offered to the persons who at the date of the offer, are holders of the equity shares of the Company then such Share shall be offered in proportion, as nearly as circumstances admit, to the capital paid up on these Shares at the date. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen (15) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person and the notice referred to above hereof shall contain this statement of this right, provided that the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the Shares offered to him. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most advantageous to the shareholders and the Company.</p> <p>(c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 62(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company, provided however that the terms of the debentures or loans include a term providing for such option is in conformity with the rules, if any made by the Central Government in this behalf and has also been approved by a special resolution in a general meeting.</p>	Provisions relating to the issue of shares
56.	Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered part of the then existing Share Capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.	How far new Shares to rank with existing Shares
57.	If owing to any inequality in the number of new Shares to and the number of Shares held by the Members entitled to have the offer of such new Shares, any difficulty that may arise in the apportionment of such new Shares or any of them amongst the Members, such difficulty shall, in the absence of any direction in the members' resolution creating the Shares or by the Company in a general meeting be determined by the Board.	Inequality in numbers of new Shares
58.	The Company may, subject to the applicable provisions of the Act and Rules, from time to time, by special resolution reduce its capital and any capital redemption reserve account or securities premium account, in any manner and with and subject to any incident authorised and consent required by law.	Reduction of Share Capital
58.A	Subject to the provisions of Sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if necessary, the Company may, by passing a special resolution at a	Buyback of Shares

general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buyback') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat equity, from out of its free reserves or out of the securities premium account of the Company or out of proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

ALTERATION OF CAPITAL

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| Powers to alter Capital | <p>59. The Company in a general meeting or through Postal Ballot may subject to the provisions of the Act from time to time:-</p> <ul style="list-style-type: none"> (a) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares; (b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; (c) convert all or any of its fully paid up Shares into stock, and reconvert that stock into fully paid up Shares of any denomination; (d) cancel any Shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled. |
| Surrender of Shares | <p>60. Subject to the provisions of the Act, the Board may accept from any Member the surrender on such terms and conditions as shall be agreed, of all or any of his Shares.</p> |

MODIFICATION OF RIGHTS

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| Power to modify rights | <p>61. Whenever the capital (by reason of the issue of preference Shares or otherwise) is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any persons purporting to contract on behalf of that class provided such agreement is (a) consented to in writing by the holders of at least three-fourths of the issued Shares of that class, or (b) sanctioned by a special resolution passed at a separate meeting of the holders of the issued Shares of that class and all the provisions herein after contained as to general meetings shall mutatis-mutandis, apply to every such meeting. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.</p> |
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BORROWING POWERS

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| Power to borrow | <p>62. Subject to the provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, the directors from time to time at their discretion, by resolution passed at the meeting of the Board, accept deposit from Members or public or others either in advance or calls, or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company not exceeding the aggregate of the Paid- up Capital of the Company and its reserves. Provided, however, where the monies to be borrowed, together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aforesaid aggregate, the Directors shall not borrow such monies without the consent of the Company in a general meeting by means of special resolution.</p> |
| Conditions on which money may be borrowed | <p>63. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, redeemable debentures or debenture-stock, or any mortgage, or other tangible</p> |

security on the undertaking or the whole or any part of the property of the Company (both present and future).

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| 64. Any debentures, debenture-stocks, bonds or other securities may be issued at a premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise, debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that the debentures, debenture-stock, bonds or other securities with the right to allotment of the or conversion into Shares shall not be issued except with the consent of the Company in a general meeting or through Postal Ballot subject to provisions of Section 71 of the Act. | Issue of debentures, debenture- stocks, bonds, etc. with special privileges |
| 65. Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures. | Instrument of transfer |
| 66. If the Board refuses to register the transfer of any debentures within time limit as may be prescribed, the Company shall send to the transferee and to the transferor, notice of the refusal. | Notice of refusal to register transfer |

GENERAL MEETINGS

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| 67. In addition to any other meetings, the "Annual General Meeting" of the Company shall be held within such intervals as are specified in the Act and subject to the provisions of the Act, during such business hours and places as may be determined by the Board under the provisions of the Act or the Rules made thereunder. Any other meeting of the Company shall be called as "Extra-ordinary General Meeting". | When Annual General Meeting to be held |
| 68. The Board may also call a general meeting by passing a resolution by circulation and the resolution so passed would be as effective as a resolution passed at the Board meeting. | Calling of a general meeting by circulation |
| 69. The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statement on the requisition of Members. | Circulation of Member's Resolution |
| 70. Save as permitted under Section 101 of the Act, a general meeting of the Company may be called by giving not less than clear twenty one (21) days' notice either in writing or through electronic mode. Notice of every meeting shall be given to the Members and such other person or persons as required under and in accordance with Section 101 of the Act and it shall be served in the manner authorized by Sections 20 and 101 of the Act and the Rules made under the Act. | Notice of meeting |

PROCEEDINGS AT A GENERAL MEETING

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| 71. Subject to the Act, the ordinary business of an Annual General Meeting shall be to receive and consider the financial statements, including consolidated financial statements and the reports of the Directors and the Auditors thereon, to elect Directors in the place of those retiring, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed to be special business. | Business of meeting |
| 72. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Quorum for the meeting shall be determined in accordance with Section 103 of the Act. | Quorum to be present when business commenced |
| 73. If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by requisition of Members shall be cancelled, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present within half-an hour from the time appointed for holding the meeting those Members, who are present and not being less than two (2) shall be quorum and may transact the business for which the meeting was called. | When if Quorum not present, meeting to be cancelled and when to be adjourned |

Resolution to be passed by the Company in a general meeting	74.	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in a general meeting or through Postal Ballot shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 114 (1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a special resolution as defined in Section 114 (2) of the Act.
Chairman of a general meeting	75.	The Chairman of the Board shall be entitled to take the chair at every general meeting (" Chairman "). If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present shall choose another Director as Chairman, and if no Directors is present, or if all the Directors present decline to take the Chair, then the Members present shall, on a show of hands or on a poll if properly demanded, elect one (1) of their numbers being a Member entitled to vote, to be the Chairman.
How questions to be decided at meetings	76.	At any general meeting a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with Section 107 of the Act and the Companies (Management and Administration) Rules, 2014. In the case of an equality of votes, the Chairman shall both on a show of hands and at the poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.
What is the evidence of passing of a resolution where poll is demanded	77.	A declaration by the Chairman that on an evidence of the show of hands a resolution has or has not been carried, either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion the votes cast in favour of or against such resolution.
Demand for Poll	78.	<p>(i) Subject to the Act, before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by a Member or Members present in person or by Proxy and holding Shares in the Company conferring their powers to vote on such resolution, being Shares which is not less than one tenth of the total voting power in respect of the resolution or on which the aggregate sum of not less than Rupees Five lacs has been paid up.</p> <p>(ii) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight (48) hours from the time, when the demand was made, and at such place as the Chairman directs and subject as aforesaid, either at once or after an interval or adjournment or otherwise and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.</p> <p>(iii) The demand of a poll may be withdrawn at any time by the person or persons who made the demand.</p> <p>(iv) Where a poll is to be taken the Chairman shall appoint scrutinizer (s) as prescribed by the Rules to scrutinize the votes given on the poll and report to him thereon.</p> <p>(v) On a poll a Member entitled to more than one (1) vote, or his Proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.</p> <p>(vi) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.</p>
Power to adjourn a general meeting	79.	<p>(i) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(ii) Save as otherwise provided in Section 103 of the Act, when the meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting unless the adjournment is for a period of thirty (30) days or more.</p>
Vote of Members	80.	i) Save as hereinafter provided, on a show of hands every Member present in person and being a holder of equity Shares shall have one (1) vote, and every person present either as a Proxy on behalf of a holder of equity Shares, if he is not entitled to vote in his

own right, or as a duly authorised representative of a body corporate, being a holder of equity Shares, shall have one vote.

- ii) Save as hereinafter provided, on a poll the voting rights of a holder of equity Shares shall be as specified in Section 47 of the Act.
 - iii) The voting rights of every Member holding preference Shares, if any, shall upon a show of hands or upon a poll be subjected to the provisions, limitations and restrictions laid down in Section 47 of the Act. Provided that no body corporate shall vote by Proxy so long as resolution of its Board of Directors under the provisions of Section 113 of the Act is in force and the person named in such resolution is present at the general meeting at which the vote by Proxy is tendered.
 - iv) A Member may exercise his vote if permitted by the Act and the Rules at a meeting or by Postal Ballot by electronic means in accordance with the Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 and shall vote only once.
81. i) Where a body corporate (hereinafter called "**Member Company**") is a Member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such Member Company at a meeting of the Company, shall not by reason of such appointment be deemed to be a Proxy and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such Member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by Proxy on behalf of the Member Company which he represents, as that Member Company could exercise if it were an individual Member.
- ii) Where the President of India or the Governor of a State is a Member of the Company then his/their representation at the meeting shall be in accordance with Section 112, of the Act.
82. Any person entitled under these Articles for transfer of Shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that at least forty eight (48) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he purports to vote he shall satisfy the Board of his right to transfer such Shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any Member is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, he may vote whether on a show of hands or at a poll, by his committee, or other legal guardian and any such committee or legal guardian may, on a poll, give their votes by Proxy.
83. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting either personally or by Proxy in respect of such Share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by Proxy, then one of the said persons so present whose name stands first on the Register in respect of such Share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of this Article be deemed joint holders thereof.
84. Votes may be given either personally, or in the case of a body corporate, by a representative duly authorised as aforesaid, or by Proxy in accordance with the provisions of Section 105 of the Act read with the Companies (Management and Administration) Rules, 2014.
85. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorized by it.
86. The Company agrees that it will send out Proxy forms to all shareholders and debenture holders in all cases where proposals other than of a purely routine nature are to considered, such Proxy forms being so worded that a shareholder or debenture holder may vote either for or against each resolution.
87. The instrument appointing a Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of that power or authority, shall be deposited at the Office not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purports to vote in respect thereof and

Procedure where a company or body corporate is Member

Votes in respect of deceased, insane and insolvent Members

Joint Holders

Proxies Permitted

Instrument appointing Proxy to be in writing

Proxy forms to be sent

Instrument appointing a Proxy to be deposited at the office

in default the instrument of Proxy shall not be treated as valid.

Whether vote by Proxy valid though authority revoked	88.	A vote given in accordance with the terms of an instrument appointing a Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the Share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the Share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.
Form of instrument appointing a Proxy	89.	Every instrument appointing a Proxy shall be retained by the Company and shall, be in the form as prescribed in the Companies (Management and Administration) Rules, 2014.
Restriction on voting	90.	No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board of Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.
Objections raised on voting	91.	<p>i) Any objection as to the admission or rejection of a vote either, on a show of hands, or on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.</p> <p>ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.</p>

DIRECTORS

Number of Directors	92.	The number of Directors of the Company shall not be less than three (3) and not more than fifteen (15). Provided that the Company may appoint more than fifteen (15) directors after passing a special resolution of members. The composition of the Board of Directors will be in consonance with the Act and the Equity Listing Agreement.
Company to increase or reduce number of Directors	93.	Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce the number of Directors within the limits fixed by Article 92.
Limit on number of non-retiring Directors	94.	<p>a) Subject to the Act and these Articles, the Directors not exceeding one-third of the total number of Directors for the time being of the Company shall be liable to retirement by rotation. The Independent Directors shall not be counted in the total number of Directors for this purpose.</p> <p>b) Subject to the provisions of Articles 96 and 97 and Section 152 of the Act, all Directors other than the Directors who are not retiring by rotation, additional/ alternate/ Independent Directors shall be persons whose period of office is liable to determination by retirement by rotation. All the Directors who are not retiring except Independent Directors shall however, be counted in determining the number of retiring Directors.</p>
First Directors	95.	<p>The following persons are the first directors of the Company.</p> <p>1. MR. SIVAPRASAD SIVASUBRAMANIAM NADAR</p> <p>2. MR. ARJUN MALHOTRA</p> <p>3. MR. YOGESH CHANDRA VAIDYA</p>
Powers of State Financial Corporations and others to nominate Directors	96.	The Board may authorise by resolution or by agreement the State Financial Corporation (SFC), State Industrial Development Corporation (SIDC), Life Insurance Corporation of India (LIC), Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India (IDBI), Unit Trust of India (UTI), and/or any other Financial Institution, corporation or any Bank which continue(s) to be Member of the Company by virtue of being holder of any Share or Shares in the Company or to any of the aforesaid Financial Institutions, Corporation or Banks to whom any money remains due by the Company and SFC, LIC, IFCI, SIDC, IDBI, UTI to nominate a Director or Directors to the Board from time to time and to remove from such Office any person or persons so appointed and upon removal of any such person to appoint any other person(s) in his / their place. A Director so appointed shall not be required to hold any qualification Shares nor shall (subject to the provisions of Section 152 read with Section

161(3) of the Act) be liable to retire by rotation or be subject to removal under Article 108 hereof. But he shall be counted in determining the number of retiring directors. A Director appointed under this Article shall be ex-officio Director within the meaning of these Articles.

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| 97. | Any trust deed for securing debenture or debenture stock may, if so arranged, provide for the appointment, from time to time, by the trustees thereof or by the holders of debentures or debenture stock, of some person or persons to be Director(s) of the Company and may empower such trustees or holders of debentures or debenture stock, from time to time, to remove and re- appoint any Director(s) so appointed. The Directors appointed under this Article are herein referred to as “ Debenture Directors ” and the term “ Debenture Directors ” means the Directors for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained. But he shall be counted in determining the number of retiring directors. | Debenture Directors |
| 98. | The Board shall have power at any time and from time to time to appoint any person as an additional Director as an addition to the Board but so that the total numbers of Directors should not exceed the limit fixed by these Articles and the Act. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re- election. | Power of Directors to add their number |
| 99. | A Director shall not be required to acquire qualification Shares. | Qualification Shares |
| 100. | Subject to the approval of the Board, each Director shall be entitled to receive out of the funds of the Company a fee for attending a meeting of the Board or a Committee of the Board, within the limit permitted, from time to time, by the Act or the Rules made thereunder. All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending the Board and Committee meetings or otherwise incurred in the execution of their duties as Directors or in performing any of the task on behalf of the Company. | Directors Remuneration and expenses |
| 101. | If any Director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a Members of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled. | Remuneration for extra service |
| 102. | The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum as fixed by the Articles, the Directors shall not except for the purpose of filling vacancies or for summoning a general meeting as so long as the number is below the minimum. | Board may act notwithstanding vacancy |
| 103. | The office of Director shall ipso facto become vacant if at any time he commits any of the acts set out in Section 167 of the Act. | Vacation of office of Director |
| 104. | No director or other person referred to in Section 188 of the Act shall hold an office or place of profit save as permitted by that Section and the Companies (Meetings of Board and its Powers) Rules, 2014. | Office or place of profit |
| 105. | Subject to the provisions of Section 184, 188 and 192 of the Act and the Rules made thereunder neither shall a Director be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any Shares in or debentures of the Company nor shall any such contract or agreement entered into by or on behalf of the Company with the relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a Member or Director, be void nor shall any director so contracting or being such Member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary. | Conditions under when directors may contract with Company |
| 106. | (a) Subject to the provisions of Articles 96, 97 and Section 152 of the Act, at each Annual General Meeting of the Company one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. | Rotation and retirement of Directors |

	(b)	Neither a nominated Director nor an additional Director appointed by the Board under Article 98 hereof nor an Independent Director shall be liable to retire by rotation within the meaning of this Article. But they along with all the Directors who are not retiring except Independent Directors shall be counted in determining the number of retiring directors.
Which Directors to retire	107. a)	The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot drawn at a meeting of the Board of Directors.
	b)	Save as permitted by Section 162 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.
Power to remove Directors by ordinary resolution on special notice	108.	The Company may remove any Director other than directors nominated pursuant to Articles 96 and 97 before the expiration of his period of office in accordance with the provisions of Section 169 of the Act and may subject to the provisions of Section 161 of the Act appoint another person instead of the Director so removed was appointed by the Company in a general meeting or by the Board under Article 109.
Board may fill up casual vacancies	109.	If any Director appointed by the Company in a general meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same of no vacancy has occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 108.
When the Company and candidate for office of Directors must give notice	110.	The eligibility and appointment of a person other than a retiring Director to the office of Director shall be governed by the provisions of Section 160 of the Act.

ALTERNATE DIRECTORS

Power to appoint alternate Directors	111.	The Board may in accordance with and subject to the provisions of Section 161 of the Act, appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three (3) months from India. No Person shall be appointed as alternate director to an Independent Director unless he is qualified to be appointed as Independent Director under the provisions of the Act.
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PROCEEDINGS OF BOARD OF DIRECTORS

Meetings of Directors	112.	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit; provided that a meeting of the Board of Directors shall be held as per the provision of the Act, Rules and Equity Listing Agreement.
Directors may summon meeting	113.	A Director may, at any time, and the manager or secretary shall, upon the request of a Director made at any time, convene a meeting of the Board and the provisions of Section 173 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 shall apply in this regard.
Chairman/Vice Chairman	114.	The Board may appoint a Chairman of its meetings. The Board may also appoint a Vice Chairman to preside over the meeting of the Board in absence of Chairman. If no such Chairman/Vice Chairman is appointed or if at any meeting of the Board, the Chairman/Vice Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of their member to be the Chairman of such meeting.
Quorum	115.	The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within fifteen (15) minutes of the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. The participation of the Directors can be in person or through video conferencing or other audio visual means as may be prescribed by the Companies (Meetings of Board and its Powers) Rules, 2014 or permitted by law.
Power of Quorum	116.	A meeting of the Board at which a quorum is present shall be competent to exercise all or any

of the authorities, powers and discretion by or under these Articles or the Act for the time being vested in or exercisable by the Board.

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| 117. Subject to the provisions of Sections of 186(5), 203(3) of the Act and save as otherwise expressly provided in these Articles, questions arising at any meetings shall be decided by a majority of votes. | How questions to be decided |
| 118. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit and may, from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board. | Power to appoint committees and delegate |
| 119. The meeting and proceedings of such committee consisting of two (2) or more members shall be governed by the regulations made by the Board in that regard in accordance with the provisions, if any, of the Act and Equity Listing Agreement. | Proceedings of Committee |
| 120. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had been terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in these Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated. | When acts of a Director valid notwithstanding defective appointment |
| 121. Save in those cases where a resolution is required by Sections 161(4), 179 , 182, 184, 186, 188, 203 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee, as the case may be duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee as the case may be then in India, not being less in number than the quorum fixed for meeting of the Board or Committee, as the case may be and to all other Directors or members of the Committee, at their usual address whether in India and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution. Provided that where not less than one third of the Directors of the Company for the time being require that resolution under circulation be decided by the Board at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board. | Resolutions by circulation |

MINUTES

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| 122. a) The Board shall in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, cause minutes to be kept of every general meeting of the Company and of every meeting of the Board or of every committee of the Board. | Minutes to be made |
| b) Any such minutes of any meeting of the Board or of any Committee or of the Company in a general meeting, if kept in accordance with the provisions of Section 118 of the Act and the Companies (Management and Administration) Rules, 2014, shall be evidence of the matters stated in such minutes. The minute books of general meetings of the Company shall be kept at the Office and shall be open to inspection by Members as per the provisions of the Act or the Rules made thereunder. The minute books of general meetings may also be kept for inspection in electronic mode as prescribed under the Companies (Management and Administration) Rules, 2014. | |

POWERS OF THE BOARD

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| 123. Subject to the provisions of the Act and these Articles, the business of the Company shall be managed by or under the direction of the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in a general meeting. Provided further that wherever the Act or any other statute or the Memorandum of the Company or these Articles, provide for exercise of powers by the Board subject to the members approval in a general meeting, the Board shall exercise such powers only with such approval. In exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the | General power of Company vested in the Board |
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Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the Company in a general meeting, but no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific Powers given to Directors	124.	Without prejudice to the general powers conferred by the immediately preceding Article and to any other powers or authority conferred by these presents on the Directors or on the Managing Director, it is hereby expressly declared that the Directors shall subject to the regulations of these presents and to the provisions of the Act and in addition to the powers of the Board provided under Section 179 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, have the following powers, that is to say, power:
To carry the agreement into effect	(i)	To take such steps as they think fit to implement and to carry into effect all agreements.
To pay preliminary expenses	(ii)	To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
To acquire and dispose of property and rights	(iii)	To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and subject to the provisions of Section 180 (1) of the Act, to sell, let, lease, exchange, or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.
To pay for property in debenture etc.	(iv)	At their discretion to pay for in debentures etc. property rights, privileges acquired by or services rendered to the Company either wholly or partially in cash or in Shares (subject to Section 62 of the Act), bonds, debentures or other securities of the Company and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
To secure contracts by mortgage	(v)	To secure, the fulfillment of any contracts, agreements or engagement entered into by Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit, subject to Section 180 of the Act.
To appoint officers etc.	(vi)	To appoint and at their discretion remove or suspend such agents, employees, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments whether by way of commission or participation in profits or partly in one way and partly in another and to require security in such instances and to such amount as they think fit.
To appoint trustees	(vii)	To appoint any Person or Persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
To bring and defend actions etc.	(viii)	Subject to the provisions of Act, to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
To refer to arbitration	(ix)	To refer any claims as demands by or against the Company to arbitration and observe and perform the awards.
To give receipts	(x)	To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
To act in matters of bankrupts and insolvents	(xi)	To act on behalf of the Company in all matters relating to bankrupts and insolvents.
To authorize acceptance etc.	(xii)	To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, negotiable instruments and documents.
To appoint attorneys	(xiii)	From time to time to provide for the management of the affairs of the Company either

in different parts of India or elsewhere in such manner as they think fit and in particular to establish branch officers and to appoint any persons to be the attorneys or agents of the Company with such powers (including powers to sub-delegate) and upon such terms as may be thought fit.

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| (xiv) | Subject to the provisions of Sections 67, 179, 180(1), 186 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being Shares in this Company) and in such manner as they think fit and from time to time to vary or realise such investments. | To invest moneys |
| (xv) | To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon. | To give security by way of indemnity |
| (xvi) | Subject to the provisions of Section 188 of the Act, to give to any person employed by the Company, as remuneration for their services as such, a commission on the profits of any particular business or transaction or a Share in the profits of the Company such commission or Share or profits shall be treated as part of the working expenses of the Company. | To give percentage of profits |
| (xvii) | From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants. | To make bye- laws |
| (xviii) | To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters aforesaid or otherwise for the purposes of the Company. | To make contracts etc. |
| (xix) | Subject to the provisions of Sections 181 and 182 of the Act to establish, maintain, support and subscribe to any national, political and charitable institutions or funds of public object, and any institution, society, or club which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on business, to give pensions, gratuities, or charitable aid to any person or persons who have served the Company or to the wives, children or dependents of such person or persons, that may appear to the Directors just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Company. | To establish and support charitable objects. |
| (xx) | Subject to the provisions of the Act, before recommending any dividends, to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensation, or other benefits or to create any provident or benefit or other funds in such or any other manner as the Director may deem fit. | To set aside profits for Provident Fund |
| (xxi) | To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company, respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said funds and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit. | To make and alter rules |
| (xxii) | Subject to the provisions of the Act, to delegate all or any of the powers hereby conferred upon them to the Managing Director or to any other Director or employees of the Company as they may from time to time think fit, other than a power to issue debentures and to make calls on shareholders in respect of moneys unpaid on their Shares. | To delegate powers to a director or employee |

MANAGING OR WHOLE – TIME DIRECTOR(S)

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| 125. | Subject to the provisions of the Act, and of these Articles, the Company in a general meeting or the Board may from time to time appoint one or more of their body to be Managing Director or Managing Directors (in which expression shall be included Joint or Deputy Managing Director) or Whole-time Director or Whole-time Directors of the Company, for such term not exceeding five years at a time and upon such terms and conditions as they may think fit, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Further the Managing Director as stated in Article 126 can hold the position of the | Powers to Board to appoint Managing or Whole-time Director(s) |
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Chairman of the Board for the better governance of the Company.

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| Holding of position of Managing Director and/or CEO by Chairman | 126. | Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time. |
| Managing Director(s) or Whole-time Director(s) not liable to retirement by rotation | 127. | Subject to the provisions of the Act, and of these Articles, a Managing Director or a Whole-time Director, may subject to the shareholders' approval at the time of appointment or re-appointment or otherwise continue to hold office not subject to retirement by rotation under Article 106. However, they shall be counted in determining the number of retiring directors. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to the resignation and removal of the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or a Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Managing Directors, as the Directors shall from time to time select, shall be liable to retirement by rotation in accordance with Article 106 and the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. |
| Remuneration of Managing Director(s) or Whole-time Director(s) | 128. | Subject to the provisions of the Act and of these Articles and of any contract between him and the Company, the remuneration of the Managing Director or Whole-time Director shall from time to time be fixed by the Directors, subject to the approvals of the Members of Company and may be by way of fixed monthly payment or commission on profits of the Company or by participation in such profits or by any or all of these modes or any other mode not expressly prohibited by the Act. A Managing Director or Whole-time Director shall in addition to the above remuneration be entitled to the fee for attending meetings of Board or Committee. |
| Powers and duties of Managing or Whole-time Director | 129. | Subject to the provisions of the Act and of these Articles, the Company or the Board may from time to time entrust to and confer upon a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being, such of the power exercisable under these Articles or otherwise by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and they may subject to the provisions of the Act and of these Articles confer such powers either collaterally with, or to the exclusion of or in substitution for all, or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. |

MANAGEMENT

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| Management of the Company | 130. | The Board of Directors may in accordance with the provisions of the Act appoint a Whole-time Chairman, or Managing Director or Whole-time Director or Manager to manage its affairs. A Director may be appointed as a Secretary, or Manager but Secretary or Manager need not be a Director of the Company. The terms and conditions and the appointment of Whole-time/ Managing Directors shall be subject to the provisions of the Act and to the consent of the Members of the Company, wherever required. |
| | 131. | Subject to the provisions of the Act, the following regulations shall have effect: - |
| Local Management | a) | The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph. |
| Local Directorate delegations | b) | The Board, from time to time and at any time, may establish any local directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India and may appoint any persons to be Members of any such local directorate or any managers or agents and may fix their remuneration and, save as provided in Section 179 of the Act, the Board from time to time and at any time may delegate to any person so appointed any of the powers, authorities and discretions for the time being of any such local directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies and may fix any such appointment conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation. |

c)	The Board may, at any time and from time to time, by power of attorney under the Seal appoint any persons to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act and these Articles) and for such period and subject to such conditions as the Board may, from time to time think fit any such appointments may, if the Board thinks fit be made in favour of the members or any of the members of any local directorate established as aforesaid, or in favour of the Company or of the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.	Power of Attorney
d)	Any such delegate or attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.	Sub-delegation
e)	The Company shall cause to be kept a Register of Members and index of Members and a Register and index of Debenture holders and a Register and index of other security holders in accordance with the applicable provisions of the Act, with details of shares and debentures held in material/physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register of Members and index of Members and Register and Index of Debenture holders and Register and Index of other Security holders, as the case may be, for the purpose of the Act. The Company may cause to be kept in any State or country outside India, as may be permitted by the Act, a foreign Register of Members or debenture holders resident in any such State or country and the Board may from time to time, make such provisions as it may think fit relating thereto and may comply with the requirement of any local law and shall in any case comply with the provisions of Sections 88 of the Act and the Companies (Management and Administration) Rules, 2014.	Register of Members or debenture holders
f)	If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.	Option to opt out in respect of any security
g)	The Depository shall, on receipt of information as above, make appropriate entries in its records and subsequently inform the Company.	
h)	The Company shall within thirty (30) days of the receipt of the intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.	
i)	Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.	Service of Documents
j)	Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.	Provisions of Articles to apply to shares held in Depository
k)	Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	Allotment of Securities dealt with in a Depository
l)	The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.	Distinctive number of securities held in a Depository

KEY MANAGERIAL PERSONNEL

Key Managerial
Personnel

132. Subject to Section 203 of the Act, the Board shall appoint a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed on such terms and conditions and on such remuneration as may be approved by the Board and may remove a Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and other Officers as may be prescribed by means of resolution of the Board.

AUTHENTICATION OF DOCUMENTS

Power to authenticate
documents

133. Any Director or the Key Managerial Personnel or any officer appointed by the Board for the purpose shall have power to authenticate any documents and accounts relating to the business of the Company and to certify copies thereof, extracts thereof or extracts therefrom as true copies or extracts, where any books records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

Certified copies of
resolution of the Board

134. A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the immediately preceding Article shall be exclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

THE SEAL

Custody of Seal

135. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a committee of the Board authorised by the Board in that behalf and save as provided in Article 14 (i) hereof, any one (1) Director and the secretary or such other person as the Board may appoint shall sign every instrument on which the Seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

Annual Returns

136. The Company shall comply with the provisions of Section 92 of the Act as to the making of Annual Returns.

RESERVES

Reserves

137. The Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improvising or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may, subject to the provisions of the Act invest the several sums so set aside upon investments (other than Shares of the Company) as it may think fit and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company and may divide the reserve into such special funds as the Board thinks fit, with power to employ the reserve or any parts thereof in the business of the Company and that without being bound to keep the same separate from other aspects.

Investment of Money

138. All money carried to the reserves shall nevertheless remain and be profits of the Company subject to due provisions being made for actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of the Act, be invested by the Board in or upon such investments or securities as it may select or may be

used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.

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| 139. | The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve. | Carry forward of profits |
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CAPITALISATION OF RESERVES

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| 140. | Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserves, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the securities premium account be entitled and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full of any unissued Shares, of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, or towards both and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a securities premium account or a capital redemption reserve account may, for the purpose of this Article only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares. | Capitalisation of reserves |
| 141. | A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the Members. | Surplus money |
| 142. | For the purpose of giving effect to any resolution under the two immediately preceding Articles hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificate, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed for such fractional certificate in order to adjust the rights of all parties and may vest such cash or for such fractional certificates in trustees upon such trusts for the persons entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be filled in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalised fund and such appointment shall be effective. | Fractional certificates |

DIVIDENDS

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| 143. | The Company in a general meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of Section 127 of the Act, fix the time for payment. The dividend declared shall not exceed the amount recommended by the Board, but, the Company in a general meeting may declare a dividend, which is lesser in amount than as recommended by the Board. | Declaration of Dividends |
| 144. | No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act. No dividend shall carry interest against the Company. | Dividends to be paid out of profits |
| 145. | Subject to the special rights of the holders of preference Shares, if any, for the time being, the profits of the Company distributed as dividends or bonus shall be distributed among the Members in proportion to the amounts paid or credited as paid on the Shares held by them, respectively, but no amount paid on a Share in advance of calls shall while carrying interest be treated for the purpose of this Article as paid on the Share. All dividends shall be apportioned and paid pro-rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Shares shall rank for dividend accordingly. | Dividends to be pro-rata on the paid up amount |
| 146. | The declaration of the Board subject to members adoption in Annual General Meeting as to the amount of the net profits of the Company shall be conclusive. | What to be seemed net profit |

Interim Dividends	147. The Board may subject to Section 123 from time to time, pay to the Members such interim dividends as in its judgment the position of the Company justifies.
Debts may be deducted	148. The Board may retain any dividends on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend and call together	149. Subject to the provisions of Article 15, any general meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes, but so that the call on each Members shall not exceed the dividend payable to him, so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member may be set off against the call.
Dividend in cash	150. No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully Paid-up bonus Shares or paying up any amount for the time being unpaid on the Shares held by the Members of the Company.
Dividend Profit	151. A transfer of Shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
Power to retain dividend until transmission is effected	152. The Directors may retain the dividends payable upon Shares in respect of which any person is under transmission entitled to transfer, until such person shall become a Member in respect of such Shares or shall duly transfer the same.
Payment of Dividend to Member on mandate	153. No dividend shall be paid in respect of any Share except to the registered holder of such Share or to his order or to his bankers, but nothing contained in the Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend.
Dividend to joint-shareholders	154. Any one of several persons who are registered as the joint holders of any Share may give effectual receipt for all dividends, bonuses and other payments in respect of such Share.
Notice of declaration of dividend	155. Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to Share therein in the manner hereinafter provided.
Payment of Dividend	156. All dividends and other dues to Members shall be deemed to be payable at the Office of the Company. Unless otherwise directed any dividend, interest or other moneys payable in cash in respect of a Share may be paid by any banking channels or cheque or warrant sent through the post to the registered address of the holder, or in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named in the Register in respect of the joint-holding or to such person and at such address as the holder, or joint- holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
Unclaimed dividends	157. All unclaimed dividend along with interest accrued shall not be forfeited but shall be credited to a special bank account as per Section 124 of the Act, and after a period of seven (7) years transferred to Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Act.
Forfeiture of dividend	158. The Company agrees that it will not forfeit unclaimed dividend before the claim becomes barred by law and that such forfeiture, when effected will be annulled in appropriate cases.

BOOKS AND DOCUMENTS

Books of account to be kept	159. The Board shall cause proper books of account to be kept in accordance with Section 128 of the Act.
Where to be kept	160. Subject to the provisions of the Act, the books of account shall be kept at the Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven (7) days of the decision, file with the Registrar of Companies a notice in writing giving the full address of that other place. The books can also be kept in electronic mode as prescribed by the Act and Rules subject to compliance of prescribed guidelines.
Inspection by Director	161. a) The books of account shall be open to inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules. b) The Board shall, from time to time, determine whether and to what extent and at what

times and places and under what conditions or regulations, the books of account and books and documents of the Company, other than those referred to in Articles 122 and 172 or any of them shall be open to the inspection of the Members not being Directors and no Member (not being a Director) shall have any right of inspecting any books of account or books or documents of the Company except as conferred by law or authorised by the Board or by Company in a general meeting.

ACCOUNTS

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| 162. At every Annual General Meeting, the Board shall lay before the Company the financial statements including consolidated financial statements in accordance with the provisions of Section 129 of the Act read with the Companies (Accounts) Rules, 2014, and such financial statements including consolidated financial statements shall comply with the requirements of Sections 129, 133 and 134 and of Schedule III to the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient. | Balance Sheet and Profit and Loss Account |
| 163. There shall be attached to every Balance Sheet laid before the Company in the Annual General Meeting a report by the Board complying with Section 134 of the Act. | Director's Report |
| 164. A copy of every financial statements including consolidated financial statements, Auditors report and every document required by law to be annexed or attached to the balance sheet shall, as provided by Section 136 of the Act, not less than twenty-one (21) days before the Annual General Meeting be sent to every such Member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section either electronically or through such other mode as may be prescribed by the Rules. | Copies to be sent to Members and others |
| 165. The Company shall comply with Section 137 of the Act as to filing copies of the financial statement including consolidated financial statement and documents required to be annexed or attached thereto with the Registrar of Companies. | Copies of balance Sheet etc. to be filed with the Registrar of Companies |

AUDITORS

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| 166. Subject to the provisions of the Act, once at least in every year the books of account of the Company shall be audited by one or more auditor or auditors. | Accounts to be audited annually |
| 167. The appointment, powers, rights, remuneration and duties of the auditors shall be regulated by Sections 139 to 146 and Section 148 of the Act. | Appointment, remuneration, rights and duties of Auditors |

SERVICE OF NOTICES AND DOCUMENTS

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| 168. A notice or other documents may be given by the Company to its Members in accordance with Sections 20, 101 and 136 of the Act and Rules made thereunder. | How notice to be served on Members |
| 169. Subject to the provisions of Article 170 any notice or document delivered or sent by post to or left at the registered address of any Members in pursuance of these Articles shall, notwithstanding such Members be deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered Share, whether held solely or jointly with other persons by such Member until some other persons be registered instead as the holder or joint-holders thereof and such service shall for all purposes of those presents be deemed to be a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such Share. | Notice valid though Member deceased |
| 170. Subject to the provisions of the Act, in the event of a winding-up of the Company, every Member of the Company who is not for the time being in the place where the Office of the Company is situated shall be bound, within eight (8) weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person residing in the neighbourhood of the Office upon whom all summons, notices, process, orders and judgments in relation to or under the winding-up of the Company may be served and in default of such nomination, the liquidator of the Company shall be at liberty, on behalf of such Member, to appoint some such person and serve upon any appointee whether appointed by the Member or the liquidator shall be deemed to be good personal service on such | Service of process in winding-up |

Member for all purposes and where the liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such Member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such Member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article do not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

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| Registers, etc. to be maintained by Company | 171. The Company shall duly keep and maintain at the Office, Registers, in accordance with Sections 85, 88, 170, 187 and 189 of the Act and Rules made thereunder in electronic form or in such form and in such manner as may be prescribed under the Act or the Rules. |
| Supply of copies of Registers | 172. The Company shall comply with the provisions of Sections 85, 94, 117, 171, 186 and 189 of the Act and the Rules as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates, and books herein mentioned to the persons herein specified when so required by such persons on payment, where required, of such fees as may be fixed by the Board but not exceeding charges as prescribed by the said Sections of the Act and Rules framed thereunder. |
| Inspection of Registers etc. | 173. Where under any provision of the Act or Rules any person whether a Member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document (including electronic records) required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during such business hours and place as may be determined by the Board under the provisions of the Act and the Rules thereunder. |
| When Registers of Members and Debenture holders may be closed | 174. The Company, after giving not less than seven (7) days previous notice, subject to the provisions of Section 91 of the Act and Rules made thereunder, by advertisement in one vernacular newspapers circulating in the district in which the Office is situated close the Register of Members or the register of debenture holders or the register of security holders, as the case may be, for any period or period not exceeding in the aggregate forty-five (45) days in each year but not exceeding thirty days at any one time. |

RECONSTRUCTION

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| Reconstruction | 175. On any sale of the undertaking of the Company the Board or the liquidator on a winding-up may, if authorized by a special resolution, accept fully paid or partly paid up Shares, debentures, or securities of any other company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the Company's property and the Board (if the profits of the Company permit) or the liquidators (in a winding-up) may distribute such Shares or securities, or any other property of the Company amongst the Members without realization or vet the same in trustees for them and the special resolution may provide for the distribution or appropriation of the cash, Shares or other securities benefit or property, otherwise than in accordance with the strict legal rights of the members of contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of Shares shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in course of being wound up, such statutory right (if any) under the Act as are incapable of being varied or excluded by these Articles. |
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SECRECY

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| Secrecy | 176. Every Director, manager, secretary, Trustee for the Company, its Member or debenture- holder, members of a Committee, officer, servant, agent, accountant, other person employed in or about the business of the Company shall, if so required by the Board or by a Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of |
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his duties except when required so to do by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

177. No shareholder, or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or subject to Article 161 to require discovery of or any information respecting any details of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

No shareholder to enter the premises of the Company without permission

WINDING UP

178. Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among Members as such shall not be sufficient to repay the whole of the Paid-up capital such assets shall be distributed so that as nearly as may be and the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the Shares held by them respectively. And if in a winding-up assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding-up, Paid-up or which ought to have been paid up on the Shares held by them, respectively. But this Article is to be without prejudice to the rights the holders of Shares issued upon special terms and conditions. Preference shareholders shall have prior rights to repayment of capital and dividends due.
179. Subject to the provisions of the Act, if the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefits of the contributories, or any of them, as the liquidators with the like sanction, shall think fit.

Distribution of assets

Distribution of assets in specie

INDEMNITY

180. Subject to the provisions of the Act every Director, Managing Director, whole-time Director, manager, secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against all bonafide liabilities incurred by him as such Director, Managing Director, whole-time Director manager, secretary officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under the Section 463 of the Act in which relief is granted to him by the Court.
181. Subject to the provisions of the Act and the Rules, the Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors, Key Managerial Personnel and officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but they have acted honestly and reasonably.

Indemnity to Directors and officers

Insurance Policy for indemnity

GENERAL POWERS

182. Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorises the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

General powers under the Article

S.No.	Name, address, descriptions and occupations of subscribers	Signature of subscriber	Name address & description
1.	SIVA PRASAD SIVA SUBRAMANIAM NADAR S/o Late Shri S.S. Nadar 100, Friends Colony (East) New Delhi – 110 065 (ENGINEER)	Sd/-	I witness the Signatures of the seven subscribers Sd/- M.M. Khanna S/o Sh. K.C. Khanna (Chartered Accountant (Membership) No. 7517 H-96, connaught Circus New Delhi – 110 001 New Delhi – 110 001
2.	ARJUN MALHOTRA S/o Shri Mehr Chand Malhotra 143, Golf Links New Delhi – 110 003 (ENGINEER)	Sd/-	
3.	YOGESH CHANDRA VAIDYA S/o Late Shri S.L Vaidya S-15, Greater Kailash I New Delhi – 110 048 (ENGINEER)	Sd/-	
4.	SUBRAHAMANYAN RAMAN S/o Shri S.M. Subrahmanyam B-5/5 Vasant Vihar New Delhi – 110 057 (ENGINEER)	Sd/-	
5.	DEVENDER SHINGH PURI S/o Late Shri S.S. Puri C-538, Defence Colony New Delhi – 110 024 (BUSINESS EXECUTIVE)	Sd/-	
6.	PALGHAT SUBRAMANIAM VISWANATHAN S/o Shri P.V. Subramaniam E-47/48, Greater Kailash Enclave – 1, New Delhi – 110 048 (BUSINESS EXECUTIVE)	Sd/-	
7.	K.P. GOPALKRISHNAN NAIR S/o Shri N.P. Panicker C-96, Greater Kailash – 1 New Delhi – 110 048 (SERVICE)	Sd/-	

Dated this 5th day of March, 1986 at New Delhi.

IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision : November 26, 1991
Co. Petition No. 122 of 91

**HCL Limited
and
HCL Hewlett-Packard Limited**

Through Mr. S.S. Shroff & Ms. Ritu Bhalla, Advocates.

CORAM :

The Hon'ble Mr. Justice Arun B. Saharya

1. Whether Reporters of local papers may be allowed to see the Judgement?
2. To be referred to the Reporter or not?
3. Whether their Lordships wish to see the fair copy of the Judgement?

ARUN B. SAHARYA, J.

1. An application, being CA No. 428/91 was filed on 29th of May 1991 by the petitioners under Section 391 of the Companies Act, 1956 (hereinafter referred to as the Act) seeking directions to hold meetings of the equity share-holders; secured creditors and debenture holders; unsecured creditors and fixed deposit holders; and statutory creditors of the first petitioner, namely, H.C.L. Limited, a public limited company incorporated under the Act (hereinafter referred to as the existing company) and the equity share-holders of the second petitioner, namely, H.C.L. Hewlett-Packard Limited, also a public limited company incorporated under the Act (hereinafter referred to as the new company) for approving, with or without modification, a Scheme of Arrangement between the existing company and the new company and their respective share-holders.
2. By an order dated 30th of May 1991, directions were given for holding separate meetings of the above-mentioned classes. Individual notices were directed to be given to all the shareholders of the two companies and to the creditors of the existing company in accordance with rules. On C.A. 429/91, however, issue of individual notices to unsecured creditors of the existing company of nominal value of less than Rs. 50,000/- and fixed deposit value of less than Rs. 10,000/- was dispensed with as the numerical value of such creditors is 3.23% of the aggregate debt and 7.48% of the unsecured creditors. Notices of the meetings were directed to be published at least 21 days before the date of the meetings in daily newspapers 'Hindustan Times' and 'Navbharat Times'. Separate Chairpersons and alternate Chairpersons were appointed for each meeting. They were directed to submit their respective reports within a week after holding the meetings. The coram and the right to vote by proxy was directed to be governed by Memorandum and Articles of Association of the respective companies.

Since there are no creditors of the new company, save and except for preliminary expenses which have been incurred for the existing company, holding of meeting of creditors of the new company was also dispensed with.

3. Notices of the application were issued to the Central Government, Regional Director, Company Law Board, Kanpur and to the Registrar of the Companies in Delhi and Haryana. Later, by an order dated 11th of July 1991 on CA. 474/91, the coram in respect of meeting of statutory creditors of the existing company was also dispensed with; and in so far as the meeting of the secured creditors was concerned, the coram was fixed at 2 in number and for the meeting of unsecured creditors, it was fixed at 5 in number.
4. Notices of the meetings, as approved by this Court, are stated to have been sent to the various share-holders and concerned creditors of the petitioner companies together with a copy of the Scheme of Arrangement, the explanatory statement required by Section 393 of the Act and a form of proxy. Notices were also advertised in accordance with the directions of this Court.
5. Four separate meetings of equity share holders, secured creditors, unsecured creditors and statutory creditors of the existing company were duly convened and held on 15th of July 1991. Separate meeting of the share-holders of new company was also held on the same day. Reports of scrutiniser and Chairpersons of each of the meetings have been filed.

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6. Chairperson appointed for the meeting of equity share-holders of the existing company has reported inter alia, that an amendment was moved to the Scheme of Arrangement in relation to Annexure 'A' which lists down the names of 50 share-holders who have given their consent to transfer the number of shares indicated against their respective names to Hewlett-Packard Company, USA post reduction and consolidation. The amendment was essentially a substitution of the list annexed with the Scheme by another list giving the revised number of shares agreed to be transferred by these 50 share-holders to Hewlett-Packard Company (hereinafter referred to as the HP Co.). The Scheme of Arrangement and the amendment were passed by more than 3/4th majority of the equity share-holders present and voting at the meeting.
 7. Reports filed by Chairpersons of the other meetings show that the Scheme of Arrangement was passed unanimously by the secured creditors; it was passed by more than 3/4th majority in value of unsecured creditors; and it was also passed unanimously by the statutory creditors present and voting at the respective meetings. Likewise, the amendment to the Scheme of Arrangement vis-a-vis Annexure 'A' was moved at the meeting of the equity share-holders of the new company and it was passed unanimously. The poll results were duly published in newspapers 'Hindustan Times' and 'Navbharat Times' of 20th July 1991 and 21st July 1991 respectively.
 8. It was then on 2nd of August 1991 that the present petition was filed for sanction of the Scheme of Arrangement between the existing company and the new company in accordance with the Scheme of Arrangement as amended (Annexure U) so as to be binding upon the share-holders of both the companies as well as the creditors of the existing company.
 9. By an order dated 5th of August 1991, notice to the Central Government was again issued and directions were given for publication in accordance with Rules to be effected in newspapers in which the earlier application was advertised. In response to the notice and public advertisement, except an affidavit of Mr. K.M. Gupta dated 13th September 1991 filed on behalf of the Central Government in pursuance of the provisions made under Section 394-A of the Act, no objections from any one to sanction of the Scheme of Arrangement have been received. Initially, advertisements were issued for hearing on 16th of September 1991. That day, the case could not be taken up for certain unavoidable reasons. So, fresh publication of advertisement was directed to be made in daily newspapers, namely, Hindustan Times and Navbharat Times for hearing on 23rd of October 1991. Despite fresh publication, no objections have been received.
 10. The stand taken by the Central Government by way of Mr. K. M. Gupta's affidavit may be noted. Paras 4 and 5 of the affidavit, relevant for the present purpose, are reproduced below :—
 4. That the Central Government has the following observations to make with reference to the aforesaid petition :
 - a) That it has been observed from the Scheme that "Appointed Date" has been fixed by both the petitioner companies as 1st July, 1990 by which all business of HCL Division be transferred in the transferee company w.e.f. 1st July, 1990 although the transferee company was incorporated only on 15.5.1991.

It is, therefore, not quite clear how the transferee company w.e.f. the "Appointed Date" take over the business of the transferor company when the transferee company viz. HCL Hewlett-Packard Limited was not in existence.
 - b) That it is further observed from the scheme that the transferor company is going to reduce its share capital and no petition before the High Court regarding the reduction of the said capital appears to have been moved.
 5. That subject to the aforesaid observations, the Central Government has no objection to the Scheme of Arrangement which may be decided by the court on its merits."
 11. The existing company was incorporated on 17th of April 1986 and is engaged in the manufacturing, marketing, maintenance and selling of micro and mini range of computers, engineering workstations for computer aided design (CAD/CAM Applications), Plain paper copiers, Micro film reader printers, EPABX systems, PC based telex systems, electronic tele-printers, computer peripherals and tests and measuring instruments. It has manufacturing facilities located in NOIDA (U.P.), Dehradun (U.P.), Madras and Dundahera (Haryana). The latest available balance-sheet of the Company for the accounting year ending 30th of June 1990 is Annexure 'C' to the petition. It has entered into a joint venture agreement dated 2nd of April 1991 with H.P. Co., inter alia, for the purpose of combining the respective computer manufacturing, marketing, servicing and sales activities in India of the existing company and HP Co. The joint venture agreement contemplates that HP Co. will participate in the existing company where computer, CAD/CAM and Peripheral Divisions are only to be retained.

The residual divisions (consisting of Reprographic Communication and Instrument Divisions) together with the investments shall be spun off to the new company in which HP Co. shall not participate.

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12. The new company was incorporated on 15th of May 1991. The main objects of this company are identical with those of the existing company. It has been formed, inter alia, for the purpose of taking over the residual divisions of the existing company on the same being spun off in pursuance of the joint venture agreement between the existing company and HP Co.
 13. Mr. Shroff, learned counsel for the petitioners has explained that the Scheme of Arrangement is in furtherance of the joint venture agreement. Under the Scheme, the existing company would be vertically split and the Computer, CAD/CAM and Peripheral Divisions of the existing company shall be retained in itself while the Residual Divisions along with the investments held by it shall be spun off and transferred to the new company. Each share-holder of the existing company shall be allotted 32 equity shares of Rs. 10/- each as fully paid-up in the new company for 100 equity shares of Rs. 10/- fully paid-up as held by such member in the existing company as on a record date. There will be a reduction in the capital paid up of the existing company as on a record date. There will be a reduction in the capital paid up of the existing company to the extent of Rs. 3.20 per equity share of Rs. 10/- each. The equity shares of Rs. 6.80 each so reduced shall be consolidated into equity shares of Rs. 10/- each 26% shares of the existing company after reduction and consolidation would be acquired by HP Co. from the share-holders of the existing company for an aggregate consideration of Rs. 46.30 crores. The Scheme of Arrangement contemplates division of the assets and liabilities in accordance with the bifurcation of line of manufacture and business as stipulated in the Scheme. It is stated that the assets of both the existing company and the new company are more than adequate to meet the creditors demand and other liabilities as is evident from the split balance-sheet as on 30th of June 1990 prepared by M/s. Price Waterhouse, a firm of Chartered Accountant (Annexure E to the petition).
 14. The Scheme of Arrangement is divided into six parts. Part I contains definitions of the expressions used in the Scheme. Part II, under the heading "HCL Divisions", indicates the divisions of the existing company to be spun off the new company. Part III describes the divisions to be retained by the existing company described as "HCL-HP Divisions". Part IV explains division and distributions of liabilities, inter se, the existing company and the new company. Part V and Part VI envisage re-organisation of the capital of the existing company and the new company and the general terms and conditions. A perusal of the Scheme of Arrangement shows that it provides for division and distribution of assets and liabilities and rights and obligations, inter se the existing company and the new company and their respective share-holders, creditors and employees in great detail.
 15. So far as the Central Government's representation is concerned, Mr. K.M. Gupta has affirmed that the Central Government "has no objection to the Scheme of Arrangement". This, however, is made subject to two 'observation'.
 16. The first observation is about the "Appointed Date". This expression is defined in the Scheme itself :—

"The "Appointed Date" means the commencement of business of the "Existing Company" on the 1st day of July, 1990".

This date, Mr. Shroff has explained, has been taken for the identification and quantification of the assets and liabilities of the existing company and the new company consequent upon the proposed spin off. This identification has been done on the basis of the audit balance-sheet of the existing company for the financial year ending 30th of June 1990. The "Appointed Date" is relevant for the purpose of fixation of the share valuations/share exchange rate which HP Co. would offer to the existing share-holders after the bifurcation and spinning off of the divisions as the price is payable per share post-consolidation and reduction. The Scheme nowhere seeks transfer artificially of new assets in July 1990. All the assets which are sought to be transferred to the new company were in fact in existence on the "Appointed Date". There is, as such, no deeming fiction in so far as the existence of assets is concerned for the purposes of transfer to the new company despite its incorporation only on 15th of May 1991. The observation made by the Central Government overlooks the distinction between the "Appointed Date" and the "Effective Date" under the Scheme. The definition of the latter expression makes it clear. It reads thus :

The "Effective Date" means the later of the date on which all the consents and approvals referred to in Part VI Clause 9 of this Scheme are obtained and/or the date on which the certified copy of the order passed by the Hon'ble High Court at Delhi sanctioning this Scheme of Arrangement is filed with the Registrar of Companies, Delhi.

This provision in the Scheme of Arrangement in conformity with the provisions made in the Act as well. The first observation is, therefore, found to be illusory.

17. Next, the observation regarding reduction of share capital also is of little consequence. The provisions made in the Scheme of Arrangement clearly show that there is no diminution of liability in respect of unpaid share capital or payment to any share-holder of any paid-up share capital so as to attract the procedure envisaged under Section 101(2) of the Act. In the existing company, the shares are fully paid-up and the proposal is one whereby some divisions of the existing company are being spun off into the new company. There is really no reduction in capital as the bifurcation involves both the assets and the liabilities to go with the division which are being spun off. The division which are to spin off into the new company would discharge these liabilities to the creditors. The creditors of the existing company would become the creditors of the new company and the new company, upon which the assets and liabilities are devolved under the Scheme of Arrangement

is to discharge the liabilities from the assets which are available and represented in the divisions transferred. The cash and bank balances are also partially bifurcated as is evident from the split balance sheet. It is unnecessary, in these circumstances, to make an order directing the existing company to add to its name as the last words thereof the word "and reduced".

18. Ergo, in the representation of the Central Government under Section 394-A of the Act, nothing is found to interdict the petition. At the hearing, no one appeared for the Central Government. Apparently, it was not interested in pursuing the representation.
19. Here, it may be noted that amendment to the Memorandum and Articles of Association of both the petitioner companies and inter-change of their names are also envisaged so as to enable effectuation of the Scheme. For this purpose, members of both the existing company and the new company have passed the required resolutions at the extra ordinary general meeting of each company held on 16th of July 1991. Certified copies of those resolutions (Annexure 'S' and Annexure 'T') have been placed on record.
20. Hence, it is found that no objections to the proposed Scheme of Arrangement have been received and that the two 'observations' made in the Central Government's representation are insignificant. In accordance with Section 391(2) of the Act, the requisite majority in number representing three-fourths in value of the creditors and members of the existing company as well as by the members of the new company agree to the arrangement. The petitioners have disclosed to the court all material facts relating to the existing company and the new company. The latest information about the financial position of the two companies has also been placed on record. No investigation in relation to either of the petitioner companies is pending. Therefore, I hereby sanction the Scheme of Arrangement, and declare that the same shall be binding on the said two companies, on the share-holders and the creditors of the existing company, and on the share-holders of the new company.
21. Further, it is directed that the assets, liabilities and reserves shall vest in the existing company and the new company in accordance with the split balance-sheet as on 30th of June 1990 as certified by M/s. Price Waterhouse.
22. The Registry shall draw and issue the formal order in accordance with the Rules. The audited balance-sheet of the existing company as on 30th of June 1990 (Annexure C), the split balance-sheet as on 30th of June 1990 (Annexure E) together with the Scheme of Arrangement as sanctioned (Annexure U) shall form part of the order.
23. Further, the petitioners are directed to file, with the Registrar of Companies, a certified copy of the order within 14 days from this date.
24. The "Effective Date" will be the date when certified copy of this Court's order is filed with the Registrar of Companies.
25. Petition allowed.

November 26, 1991

Sd/-

ARUN B. SAHARYA

JUDGE

IN THE HIGH COURT OF DELHI AT NEW DELHI

ORIGINAL JURISDICTION

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF

1. HCL LIMITED

AND

2. HCL HEWLETT-PACKARD LIMITED
COMPANY PETITION NO. 122 OF 1991
CONNECTED WITH
COMPANY APPLICATION NO. 428-429 OF 1991

HCL LIMITED
(Existing Company)
having its Registered Office
at 806-808, Siddharth,
96, Nehru Place,
New Delhi - 110 019.

.....Petitioner

HCL HEWLETT-PACKARD LIMITED
(New Company)
having its Registered Office
at 806-808, Siddharth,
96, Nehru Place,
New Delhi - 110 019.

.....Petitioner

Before the Hon'ble Mr. Justice Arun B. Saharya Dated the 26th day of November, 1991

ORDER ON PETITION

The above petition coming on for hearing on 26th day of November, 1991, upon reading the said petition, the order dated 30th May, 1991 whereby the petitioner companies were ordered to convene separate meetings of equity shareholders, secured creditors, unsecured creditors and statutory creditors of the first petitioner, namely HCL Limited and equity shareholders of the second petitioner, namely HCL Hewlett-Packard Limited for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Arrangement proposed to be made between the aforesaid companies and their respective shareholders and annexed to the affidavits of Shri S. Bhattacharya and Shri Anil Chanana in C.A. 428 & 429/91 filed the 29th day of May, 1991 and the 'Navbharat Times' dated 18th June, 1991 and the 'Hindustan Times' dated 19th June, 1991 each containing the advertisements of the said notices convening the said meetings directed to be held by the said order dated 30th May, 1991, the affidavits of the chairpersons/alternate chairpersons all dated 8th July, 1991 showing the publication and despatch of notices convening the said meetings by Shri S.S. Shroff, Advocate, the reports of Shri Sandeep Sethi, Alternate Chairperson of the meeting of equity shareholders of HCL Limited dated 24.7.1991 and Shri S.S. Chaman, Chairperson of the meeting of secured creditors of HCL Limited, Ms. Hima Kohli, Chairperson of the meeting of unsecured creditors of HCL Limited, Ms. Meenakshi Singh, Chairperson of the meeting of statutory creditors of HCL Limited and Shri Rajiv Mehra, Chairperson of the meeting of equity shareholders of HCL Hewlett-Packard Limited all dated 22nd day of July, 1991 as to the result of the said meetings, and upon hearing Shri S.S. Shroff and Ms. Ritu Bhalla, Advocates for the petitioner companies, and upon considering the representation dated 13th September, 1991 filed by Shri K.M. Gupta, Under Secretary to the Government of India stating that the Central Government has no objection to the Scheme of Arrangement subject to two observations made in the Central Government's representation which are insignificant as per order dated 26th November, 1991 and it appearing from the reports of all five chairpersons of the meetings that the proposed Scheme of Arrangement and the amendments were passed by more than 3/4th

majority of the equity shareholders of the existing company present and voting at the meeting, that the Scheme of Arrangement was passed unanimously by the secured creditors of the existing company, it was passed by more than 3/4th majority in value of unsecured creditors; and it was also passed unanimously by the statutory creditors of the existing company present and voting at the respective meetings. Likewise, the amendment to the Scheme of Arrangement vis-a-vis Annexure 'A' was moved at the meeting of equity shareholders of the new company and it was passed unanimously. The poll results were duly published in Newspapers 'Hindustan Times' and 'Navbharat Times' of 20th July, 1991 and 21st July, 1991 respectively.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT set fourth in Annexure 'U' of the Petition and schedule 1 hereto alongwith the audited balance sheet of the existing company as on 30th June 1990 (Annexure 'C' of the Petition) and the split balance sheet as on 30th June, 1990 (Annexure 'E' of the Petition), and DOTH HEREBY DECLARE that the same shall be binding on said two companies, on the shareholders and the creditors of the existing company, and on the shareholders of the new company.

The "Effective Date" will be the date when certified copy of this Court's order is filed with the Registrar of Companies.

AND THIS COURT DOTH FURTHER ORDER :

1. That all the property, assets, movable or immovable including all plants and machineries, rights and powers together with all present and further liabilities including contingent liabilities and obligations of the existing company relating to HCL Divisions as per the said Scheme of Arrangement including those specified in first, second and third parts of the Schedule II hereto be transferred further act or deed to the new company namely HCL Hewlett-Packard Limited and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956, be transferred to and vest in the new company for all the estate and interest of the existing company therein but subject nevertheless to all charges now affecting the same as per the Scheme of Arrangement (Annexure 'U' of the Petition); and
2. That all the liabilities and duties of the existing company relating to HCL Divisions under the Scheme of Arrangement be transferred without further act or deed to the new company and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the new company; and
3. That all proceedings now pending by or against the existing company and relating to HCL Divisions be continued by or against the new company; and
4. That the new company do without further application, allot to each members of the existing company as per the Scheme of Arrangement herein the shares in the new company to which they are entitled under the said Scheme of Arrangement; and
5. That the assets, liabilities and reserves shall vest in the existing company and the new company in accordance with the split balance sheet as on 30th June, 1990 as certified by M/s Price Waterhouse; and
6. That the petitioner companies do within 14 days from the date of this order cause a certified copy of this order together with the Scheme to be delivered to the Registrar of Companies for registration; and
7. That the parties to the Scheme of Arrangement shall be at liberty to apply to the Court for any directions that may be necessary in regard to the working of the Scheme of Arrangement.

SCHEDULE-1
SCHEME OF ARRANGEMENT BETWEEN

1. HCL LIMITED
 2. HCL HEWLETT-PACKARD LIMITED
- AND
- THEIR RESPECTIVE SHAREHOLDERS

SCHEME OF ARRANGEMENT BETWEEN

1. HCL LIMITED

2. HCL HEWLETT-PACKARD LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS.

PART - I

1. DEFINITIONS :

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

- A. The "Act" means the Companies Act, 1956.
- B. The "Appointed Date" means the commencement of business of the "Existing Company" on the 1st day of July, 1990.
- C. The "Effective Date" means the later of the date on which all the contents and approvals referred to in Part VI Clause 9 of this Scheme are obtained and/or the date on which the certified copy of the order passed by the Hon'ble High Court at Delhi sanctioning this Scheme of Arrangement is filed with the Registrar of Companies, Delhi.
- D. "The Existing Company" or "HCL" means the Company presently known as HCL Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 806-808, Siddharth, 96 Nehru Place, New Delhi - 110 019.
- E. "The new Company" or "HCL-HP" means the Company presently known as HCL Hewlett-Packard Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 806-808, Siddharth, 96 Nehru Place, New Delhi-110019.
- F. "HCL-HP Divisions" means the following Divisions of the "Existing Company":
 - (i) Computer Division;
 - (ii) CAD-CAM Division;
 - (iii) Peripheral Division;

and shall mean and include :

- (a) All assets, movable or immovable, including all plants and machineries together with all present and future liabilities including contingent liabilities and debts appertaining specifically to Existing Company as on 30th June, 1990 as per records of the Existing Company and/or allocated to the Existing Company in accordance with this Scheme.
- (b) All permits, quotas, rights, entitlement, industrial and other licences, tenancies, offices and depots, trade marks, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licences, powers and facilities of every kind, nature and description whatsoever appertaining/allocated to HCL – HP Divisions.
- (c) All permanent employees of the Existing Company engaged in or in relation to the HCL-HP Divisions of the Existing Company at their respective factories, branch and other offices as also the persons employed in relation to the HCL-HP Divisions at the Head Office at 806-808, Siddharth, 96, Nehru Place, New Delhi - 110 019 and also such other employees of the said Head Office as may be specified by the management of the Existing Company.
- (d) All earnest moneys and/or security deposits paid by the Existing Company in connection with or relating to HCL-HP Divisions.

G. "HCL Divisions" means the following Divisions of the Existing Company :

- (i) Reprographic Division;
- (ii) Communication Division;
- (iii) Instrument Division;
- (iv) Investments in the equity shares of HCL America Inc., USA; Far East Computers Pte. Ltd., Singapore; and HCL Finance and Investment Ltd. and any other Company's whether held by Existing Company directly or indirectly;

and shall mean and include :

- (a) All assets, movable or immovable, including all plants and machineries together with all present and future liabilities including contingent liabilities and debts appertaining specifically to HCL Divisions as on 30th June, 1990 as per records of the Existing Company and/or allocated to the New Company in accordance with this Scheme.
 - (b) All permits, quotas, rights, industrial and other licences, tenancies, offices and depots, trade marks, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licences, powers and facilities of every kind, nature and description whatsoever appertaining/allocated to HCL Divisions.
 - (c) All permanent employees of the Existing Company engaged in or in relation to the HCL Divisions of the Existing Company at their respective factories, branch and other offices as also the persons employed in relation to the HCL Divisions at the Head Office at 806-808, Siddharth, 96, Nehru Place, New Delhi - 110 019 and also such other employees of the said Head Office as may be specified by the Management of the Existing Company.
 - (d) All earnest moneys and/or security deposits paid by Existing Company in connection with or relating to HCL Divisions.
- H. "HPCo" means Hewlett-Packard Company, a Company duly created, organised and existing under and by virtue of the laws of the State of California, United States of America and having its Offices at 3000 Hanover Street, Palo Alto, California 90304, U.S.A.
- I. Hewlett-Packard India Private Limited means a Company incorporated under the Indian Companies Act, 1956.
- J. "Joint Venture Agreement" means the Agreement dated 2nd day of April, 1991 entered into by and among HCL, HPCo, Hewlett-Packard India Private Limited and the control group of shareholders of HCL, as amended.

2. SHARE CAPITAL :

The present capital structure of the Existing Company and the New Company as on 17th May, 1991 is as under :

Authorised Share Capital (Rs.)

Name of the Company	Equity	Preference	Total
HCL Limited (Existing Company)	20,00,00,000	5,00,00,000	25,00,00,000
HCL Hewlett-Packard Ltd. (New Company)	50,00,00,000	10,00,00,000	60,00,00,000

Paid-up Share Capital (Rs.)

Name of the Company	Equity	Preference	Total
HCL Limited (Existing Company)	14,83,74,470	—	14,83,74,470
HCL Hewlett-Packard Ltd. (New Company)	70	—	70

IN CONSIDERATION OF THE JOINT VENTURE AGREEMENT AS AMENDED, HCL LIMITED, HCL HEWLETT-PACKARD LIMITED AND THEIR RESPECTIVE SHAREHOLDERS HAVE PROPOSED THE SCHEME OF ARRANGEMENT AS SET OUT IN PARTS II TO VI BELOW :

PART II

HCL DIVISIONS

1. (a) With effect from the Appointed Date, HCL Divisions shall pursuant to Section 394(2) of the Act and without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in the New Company for all the estate and interest of the Existing Company therein subject to existing charges thereon in favour of Banks, Financial Institutions, Trustees for the Debenture-holder as modified under Part IV of the Scheme.

(b) Provided that leases and licences containing restrictions against transfers shall be transferred with the approval of the respective landlords and other leases and licences shall be transferred also with such permissions as may be required by law.
2. It is further provided that in addition to the above the following non-specific assets i.e. assets which do not pertain to any particular Division of the Existing Company shall also be transferred to and vested in the New Company for all the assets and interest of the Existing Company therein subject to existing charges thereon in favour of Banks, Financial Institutions, Trustees, for the Debenture-holders as modified under Part IV of the Scheme.

(a) Land at Ahmedabad valued at Rs. 1.05 lacs.
(b) Land at C-56, Phase-II, Noida (U.P.)
(c) Commercial Flat at 201 and Basement at Todi Udyog Kendra, 35, Saki Vihar Road, Andheri (East), Bombay valued at Rs. 27.45 lacs.
(d) Goodwill to the extent of Rs. 136.98 lacs.
(e) All other assets other than those specifically retained and or allocated to HCL-HP Divisions as per Part III of the Scheme.
3. (a) It is clarified that all debts, liabilities and obligations of the Existing Company relating to the said HCL Divisions as on the close of business on the 30th day of June, 1990 whether provided for or not in the Books of Accounts of the Existing Company, whether disclosed or undisclosed in the Balance Sheet and all other liabilities relating to the HCL Divisions which may accrue or raise after the 30th June, 1990 but which relate to the period upto the 30th day of June, 1990 shall be the debts, liabilities, duties and obligations of the New Company and the New Company undertakes to meet, discharge and satisfy the same.

(b) All loans raised and used and all liabilities and obligations incurred by the Existing Company after the Appointed Date for operations of any specific unit of HCL Divisions would also stand transferred to and vested in the New Company.
4. It is further clarified that all non-specific borrowings from Banks being borrowings other than those referred to in Part IV hereof cash credit accounts and other loans and advances raised for working capital which do not appertain to the operations of any particular Division of the Existing Company, existing as on 30th June, 1990 shall be allocated between the Existing Company and New Company in the ratio of 65:35 to arrive at an equitable distribution of total borrowings, after taking into account the specific allocation of certain borrowings on cash credits accounts. The Existing Company and the New Company shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements, or instruments and the like as may be necessary with the creditors such that the Existing Company and the New Company respectively will assume sole responsibility for the repayment of borrowings allocated to each of them. To the extent that the non-specific liabilities, allocated to the New Company are not made the subject of new loan or amendatory agreements, instruments, security documents, or the like pursuant to the above, the New Company further undertakes to pay its share of such non-specific liabilities as per this Scheme to the Existing Company (as and when the same is finally determined or is otherwise required to be paid).
5. All legal or other proceedings by or against the Existing Company under any statute, whether pending on the Appointed Date or which may be instituted in future in respect of any matter arising before the Effective Date and relating to the HCL Divisions (including those relating to any property, right, power, liability, obligation or duties of the Existing Company in respect of the HCL Divisions) shall be continued and enforced by or against the New Company only after the Effective Date. If proceedings are taken against the Existing Company, it will defend the same as per advice of the New Company at the costs of the New Company and the latter will reimburse and indemnify the Existing Company against all liabilities and obligations incurred by the Existing Company in respect thereof.

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6. With effect from the Appointed Date and upto and including the Effective Date the Existing Company:
- (a) Shall be deemed to have been carrying on and to be carrying on all business and activities relating to the HCL Divisions and stand possessed of the properties so to be transferred for and on account of and in trust for the New Company.
 - (b) All profits accruing to the Existing Company including taxes, if any thereon or losses arising or incurred by it relating to the HCL Divisions shall for all purposes, be treated as the profits, taxes or losses as the case may be, of the New Company.
7. The Existing Company hereby undertakes from the Appointed Date upto and including the Effective Date to carry on its business with proper prudence and without the prior written consent of the New Company, not to alienate, charge or otherwise deal with or dispose of the HCL Divisions of any part thereof (except in the usual course of business) or undertake substantial expansion of its existing business pertaining to the HCL Divisions.
8. (a) The New Company undertakes to engage, on and from the Effective Date, all permanent employees of the Existing Company engaged in the HCL Divisions at their respective factories, branches and other offices and also at the Head Office as aforesaid and elsewhere and who are in the employment of the Existing Company, on the same terms and conditions on which they are engaged as on the Effective Date by the Existing Company without any interruption of service as a result of the transfer. The New Company undertakes to continue to abide by any of the Agreement/Settlement etc. entered into by the Existing Company in respect of HCL Divisions with any Union/employee of HCL Divisions. The New Company agrees that the service of all such employees with the Existing Company upto the Effective Date shall be taken into account for purpose of all retirement benefits to which they may be eligible in the Existing Company upto the Effective Date. The New Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Existing Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- (b) The existing Provident Fund Trusts and Pension Fund Trusts created by the Existing Company for its employees including employees of HCL Divisions shall be continued for the benefit of such employees, including employees who may hereafter join the New Company, on the same terms and conditions and with effect from such day the New Company shall make the necessary contributions for such employees taken over by the New Company until the New Company constitutes its own Provident Fund and Pension Fund Trust and obtains necessary approval for the same.
 - (c) The New Company undertakes to pay, discharge and satisfy all debts, liabilities, duties and obligations of the Existing Company relating to HCL Divisions as on the close of business on the 30th day of June, 1990 and all liabilities, debts, duties and obligations relating to the said Divisions which may accrue or arise after the 30th day of June 1990 but which relate to the period upto the 30th day of June, 1990.
 - (d) The New Company undertakes to have all legal or other proceedings by or against the Existing Company pending on the Effective Date and relating to the HCL Divisions (including those relating to any property, right, power, liability or duty of the Existing Company in respect of the HCL Divisions), transferred in its name and to have the same continued prosecuted and enforced by or against the New Company to the exclusion of the Existing Company. The New Company also undertakes to deal with all legal or other proceedings which may be started by or against the Existing Company or the New Company after the Effective Date relating to the HCL Divisions in respect of the period upto the Effective Date in its own name and account and to the exclusion of the Existing Company and further undertakes to pay all amounts including interest, penalties, damages etc. which the Existing Company may be called upon to pay or secure in respect of any liability or obligation relating to HCL Divisions for the period upto the Effective Date and reasonable costs incurred by the Existing Company in respect of any proceedings started by or against it for the period upto the Effective Date at any time after the said date on submission of necessary evidence by the Existing Company to the New Company.
 - (e) It is further clarified that all liabilities and obligations arising out of guarantees executed by the Existing Company for any of its Subsidiaries or any third party/s will be borne by the New Company and the beneficiary/s shall be entitled to proceed against the New Company only.
 - (f) All obligations and liabilities of the Existing Company not specifically allocated to or retained in the Existing Company pursuant to this Scheme of Arrangement, shall become the sole and exclusive obligations and liabilities of the New Company and the New Company shall indemnify the Existing Company against all such obligations and liabilities incurred by the Existing Company in respect thereof.
9. The transfer and vesting of the properties and liabilities of the HCL Divisions under clause 1 and the continuance of the proceedings by or against the New Company under Clauses 5 and 8(d) hereof shall not affect any transaction or proceedings already completed by the Existing Company on and after the Appointed Date to the end and intent that the New Company accepts all acts, deeds and things done and executed by and/or on behalf of the Existing Company as acts, deeds and things done and executed by and on behalf of the New Company.

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10. Subject to the other provisions contained in this Scheme all contracts, lease rights, deeds, bonds, agreements and other instruments of whatever nature relating to HCL Divisions to which the Existing Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the New Company and may be enforced as fully and effectually as if instead of the Existing Company, the New Company had been a party thereto.

PART III

HCL-HP DIVISIONS

1. The HCL-HP Divisions shall continue to belong to and be vested in and be managed by the Existing Company subject to existing charges thereon in favour of Banks, Financial Institutions, Trustees for the Debenture-holders as modified under Part IV of the Scheme.
2. It is further provided that in addition to the above, the following non-specific assets, i.e., assets which do not pertain to any particular Division of the Existing Company shall also continue to belong to and be managed by the Existing Company for the assets and interest of the Existing Company therein subject to existing charges thereon in favour of Banks, Financial Institutions, Trustees for the Debenture-holders as modified under Part IV of the Scheme.
 - (a) Land measuring 4800 sq. mtrs. situated in Plot No. E-4, 5, 6, 33, 34 & 35, Sector XI, Noida, U.P. alongwith Buildings constructed or under construction thereon.
 - (b) Furniture and fixtures valued at Rs. 27.47 lacs as at 30th June, 1990 in Hyderabad Office of the Existing Company.
 - (c) Advance payments for furniture at Madras and Bombay offices amounting to Rs. 20.50 lacs as at 30th June, 1990.
 - (d) Investment in HDFC Bonds and Units of Unit Trust of India under 1964 Scheme in proportion to Fixed Deposits to be allocated.
 - (e) Goodwill to the extent of Rs. 140 lacs.
3. It is clarified that all debts, liabilities and obligations of the Existing Company relating to the said HCL-HP Divisions as on the close of business on the 30th day of June, 1990, whether provided for or not in the books of accounts of the Existing Company, whether disclosed or undisclosed in the Balance Sheet and all other liabilities relating to HCL-HP Divisions which may accrue or arise after the 30th day of June, 1990 but which relate to the period upto the 30th day of June, 1990 shall be the debts, liabilities, duties and obligations of the Existing Company and the Existing Company undertakes to meet discharge and satisfy the same.
4. It is further clarified that all non-specific borrowings from Banks being borrowings other than those referred to in Part IV hereof, on cash credit accounts and other loans and advances raised for working capital which do not appertain to the operations of any particular Division of the Existing Company existing as on 30th June, 1990 shall be allocated between the Existing Company and the New Company in the ratio of 65:35 to arrive at an equitable distribution of total borrowings, after taking into account the specific allocation of certain borrowings on cash credit accounts. The Existing Company and the New Company shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements or instruments or the like as may be necessary, with the creditors such that the New Company and the Existing Company respectively will assume the sole responsibility for the repayment of borrowings allocated to each of them. To the extent that non-specific liabilities allocated to the Existing Company are not made subject matter of the new or amendatory loan agreements or security documents or instruments or the like, pursuant to the above or pursuant to the provisions of Clause 4 of Part II, the New Company shall be indemnified by the Existing Company in respect of its share of such non-specific liabilities as per the Scheme as and when the same is finally determined or is otherwise required to be indemnified.
5. All legal or other proceedings by or against the Existing Company under any statute, whether pending on the Appointed Date or which may be instituted in future in respect of any matter arising before the Effective Date and relating to HCL-HP Divisions (including those relating to any property, right, power, liability, obligation or duties of the Existing Company in respect of HCL-HP Divisions) shall be continued and enforced only by or against the Existing Company after the Effective Date.
6. All loans raised and used and liabilities incurred by the Existing Company after the Appointed Date for operations of any specific unit of HCL-HP Divisions would also remain in the Existing Company.
7. With effect from the Appointed Date and upto and including the Effective Date the Existing Company:
 - (a) Shall be deemed to have been carrying on and to be carrying on all business and activities relating to HCL-HP Divisions for and on its own behalf.
 - (b) All profits accruing to the Existing Company including taxes thereon or losses arising or incurred by it relating to HCL-HP Divisions shall for all purposes, be treated as the profits, taxes or losses as the case may be, of the Existing Company.

PART IV

LIABILITIES

SECTION "A" - FIXED DEPOSITS:

1. The Fixed Deposits together with interest accrued thereon held by the Existing Company on the Appointed Date will be allocated between the Existing Company and the New Company in the ratio of 50:50. The Fixed Deposits accepted after 1st July, 1990 and till the Effective Date, shall be allocated between the Existing Company and the New Company on the basis of 50:50. The Fixed Deposits allocated as above and as existing on the Effective Date would stand transferred to the respective companies. For effecting such transfer, the holders of Fixed Deposits shall surrender their Fixed Deposit Receipts to the Existing Company, and the Existing Company and the New Company will issue new Fixed Deposit Receipts to the extent of their respective liability to each depositor on the same terms and conditions including in respect of the original date of maturity.

SECTION "B" - NON-CONVERTIBLE DEBENTURES :

2. The fixed assets of the Existing Company which are already charged for the Debentures issued with The Industrial Credit & Investment Corporation of India Limited as Trustee for all the Debenture holders of the Existing Company, shall subject to what is stated herein below, continue to stand charged with repayment of moneys payable in respect of all the series of Debentures issued by the Existing Company and outstanding on the Effective Date.
3. The liability under each of the 3,00,000, 14% Non-Convertible Privately Placed Debentures of Rs. 100/- each and 2,50,000, 14% Non-Convertible Privately Placed Debenture of Rs. 100/- each shall stand sub-divided and reduced as follows :

(i) *The Existing Company's Liability :*

One-half of the liability on the Secured Non-Convertible Privately Placed Debentures of the face value of Rs. 100/- each from each series of Debentures.

(ii) *The New Company's Liability :*

One-half of the liability on the Secured Non-Convertible Privately Placed Debentures of the face value of Rs. 100/- each from each series of Debentures.

with proportionate interest, costs, charges and expenses as above but otherwise on the same terms and conditions, except that the charges shall stand modified to the effect that —

- (a) HCL-HP Divisions shall stand charged for repayment of the principal, interest and other moneys payable by the Existing Company in respect of the said Debentures allocated to it under clause (i) above and shall be freed and discharged from all liabilities of the New Company under clause (ii) above in respect of the said Debentures and that HCL Divisions of the Existing Company transferred to the New Company shall stand released from the above liability of the Existing Company in respect of such Debentures allocated to the Existing Company as above.
 - (b) HCL Divisions shall stand charged for repayment of principal, interest and other moneys payable by the New Company in respect of Debentures allocated to it under clause (ii) above and shall be freed and discharged from all the liabilities of the Existing Company under clause (i) above in respect of the said Debentures and that HCL-HP Divisions retained in the Existing Company shall stand released from the above liability of the New Company in respect of such Debentures allocated to the New Company as above.
4. Upon the Scheme becoming effective, the Existing Company and the New Company shall file necessary particulars and/or modification(s) of charge in terms of clause 2 and 3 above, with the Registrar of Companies, New Delhi and execute all such other writings as may be necessary in the light of the above.
 5. The Existing Company and the New Company hereby jointly appoint Existing Company as their Registrars and shall duly and punctually pay their respective shares of liability as per Clause 3 above to the said Registrars in respect of principal, interest and all amounts payable on the Debentures for payment to the Debenture holders on the respective due dates. In case of default on the part of either the Existing Company or the New Company the Debenture holders can proceed against the defaulting Company only and its assets alone charged to the above extent and not against the other Company or its assets.

The cost of Registrars will be borne by both the companies in the same proportion as in Clause 3 above in respect of allocation of debentures.

6. The Debenture Certificate of each series issued by the Existing Company shall continue to be held by the Debenture holders as at present and the Registrar appointed as per Clause 5 above shall be responsible to maintain the Register of Debentureholders and to transfer the debentures as and when any application is made for such transfer by any Debentureholder. The New Company shall stand as a primary obligor for payment of the amounts due and payable by the New Company under Clause 3 above on debentures including interest thereon from time to time in the proportion as allocated in Clause 3 above. Similarly the Existing Company shall continue to be liable as an obligor on the debentures, to the extent of its liability as allocated in Clause 3 above.
7. It is expressly provided that same as mentioned in the Para B of this Part, no other term and condition of the issue of the debentures shall be modified except to the extent that such amendment is required by necessary implication. Upon sub-division and reduction of the liability as stated in Clause 3 above, the Debenture Redemption Reserve in the books of the Existing Company shall with reference to the Appointed Date also be equally apportioned between the two companies.
8. The provisions of Para B above shall operate notwithstanding anything to the contrary contained in any deed, instrument, or writing or the terms of sanction or issue or any security document, or in the debenture certificate, all of which instruments shall stand modified and/or over-ridden by the foregoing provisions. If necessary, the requisite endorsement of the above provisions shall be made on the Debenture Certificates hitherto issued by the Existing Company.

SECTION "C" - APPORTIONMENT OF NON-SPECIFIC LIABILITIES AND ENCUMBRANCES IF ANY THEREON

9. Save as specifically provided in this Scheme, the non-specific liabilities of the Existing Company whether secured or unsecured, shall be allocated and/or apportioned in the following manner :-
 - (a) As far as loans or liabilities which were obtained from financial institutions or banks in the nature of term loans or bridge loans for the purpose of any specific Division and which are generally charged on the assets of the Company including the assets other than the Division in respect of which such facility was obtained, and further if such loan or liability is to be transferred exclusively as part of either the HCL Divisions or HCL-HP Divisions, these charges and encumbrances or other securities created in respect thereof, shall be amended and/or modified to the end and intent that such facility shall be charged only on the assets of that Company where such facility is retained/allocated.
 - (b) The non-specific borrowings or facilities from financial institutions or banks in the nature of term loans or bridge loans are to be allocated and/or apportioned in the following manner :-

(Rs./lacs)

Description of facility principal amount as on Appointed Date	Total Value of the outstanding Company	Allocated to the New Existing Company	Retained with the Existing Company
From Financial Institutions :			
Foreign Currency Loan	29.33	29.33	—
Rupee Term Loan	658.00	210.56	447.44
Bridge Loan	115.00	115.00	—
From Banks :			
Term Loan	88.89	28.44	60.45
Bridge Loans	381.00	121.92	259.08

- (c) The liabilities in respect of the above loans towards interest and other debt service payments in accordance with the respective agreements shall also be apportioned in the same proportions. The parties shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements, instruments or the like with the creditors such that the Existing Company and the New Company respectively will assume sole responsibility for the repayment of the borrowings which shall include the principal, interest and all debt service payments in respect of borrowings allocated

to each of them. Charges in respect of such facilities shall be suitably modified so that the charges on the portion of the borrowings apportioned and allocated to the New Company are secured only on assets of the new Company and similarly the charges in respect of facilities apportioned and allocated to the Existing Company are charged only on the assets of the Existing Company. The conversion option embedded in the loan shall also be pro-rata apportion and shall be exercisable on the same terms and conditions with reference to the New Company and the Existing Company.

- (d) The principles stated in the foregoing paragraph shall be applicable mutatis mutandis to any new facility or loan availed of by the Existing Company after the Appointed Date.
- (e) As far as unsecured loans are concerned, the interest-free loan from PICUP under the Sales Tax Scheme shall be retained in the Existing Company on the same terms and conditions.
- (f) As far as other unsecured loans and advances outstanding as on the Appointed Date are concerned, they shall be allocated and/or apportioned in the following manner :

(Rs./lacs)

Description of facility	Total Value of the outstanding principal amount as on Appointed Date	Allocated to the New Company	Retained with the Existing Company
Deferred Payment Credits	62.90	11.63	51.27

- (g) All non-specific liabilities of any nature including borrowings from Banks and others which do not appertain to the operations of any particular Division of the Existing Company arising on or after the Appointed Date whether or not relating to the period on or before 30th day of June, 1990 shall be shared between the Existing Company and the New Company in the ratio of net current assets as on the Effective Date. The net current assets for this purpose would mean total of current assets, loans and advances minus current liabilities and provisions. All assets and income arising on or after the Appointed Date whether or not relating to the period on or before 30th June, 1990, which do not appertain to the operations of any particular Division, shall be shared between the Existing Company and the New Company in the ratio of 70:30.

PART V

REORGANIZATION OF CAPITAL OF THE EXISTING COMPANY AND THE NEW COMPANY

SECTION - "A"

1. In consideration of the provisions of this Scheme, the capital of the Existing Company and the capital of the New Company shall be restructured and reorganized in the manner appearing below. Shares shall appropriately be issued and/or transferred as the case may be and the share capital be reduced in the manner provided hereinbelow. The provisions of this Part shall operate notwithstanding anything to the contrary in the Scheme or in any other instrument deed or writing.

SECTION - "B"

2. Upon coming into effect of the Scheme, and upon the vesting and transfer of the HCL Divisions in the New Company pursuant to Part II of the Scheme, the Existing Company through its Board of Directors shall fix a "Record Date" for completion of all pending transfers in consultation with the Delhi Stock Exchange Association Limited. The New Company shall without any further act or deed issue and allot to every member of the Existing Company on such "Record Date" fixed, 32 Equity Shares in the New Company of Rs. 10/- each credited as fully paid-up for every 100 Equity Share of Rs. 10/- each fully paid-up held by such member in the Existing Company and such shares in the New Company will for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date. Provided that in case the total number of equity shares required to be issued by the New Company comes in fractions, the fractions shall be ignored and the total number of shares to be issued shall be rounded off to the lower integer.
3. In case any member's holding in the Existing Company is such that he becomes entitled to a fraction of one share of the New Company, the New Company shall not issue fractional shares certificates to him but shall consolidate such fractions and issue consolidated shares to a Trustee nominated by the New Company in that behalf, who shall sell the shares and distribute the net sale proceeds to the shareholders respectively entitled to the same.
4. Such Equity Shares to be issued and allotted by the New Company in terms of Clause 2 above, shall rank pari passu in all respect from the date of their allotment in terms of the Scheme with the existing Equity Shares of the New Company.
5. (a) Accordingly, the paid-up capital of the Existing Company shall be reduced from Rs. 14,83,74,470/- to Rs. 10,08,94,640/- and that such reduction shall be effected by cancelling that paid-up capital to the extent of Rs. 3.20 per Equity Share of Rs. 10/- each which have been issued and which are then outstanding.

(b) Simultaneously with such reduction of capital of the Existing Company, the Equity Shares of Rs. 6.80 each so reduced shall be consolidated into Equity Shares of Rs. 10/- each and if any fractions arises on such consolidation, the same will be allotted to a Trustee appointed by the Existing Company in that behalf, consolidated and sold and the net sale proceeds shall be paid to the respective shareholders entitled to the same.
6. The shareholders of the Existing Company, upon the Scheme becoming effective and upon receiving intimation/notice of the Record Date fixed under clause 2 above, shall surrender their share certificates in the Existing Company, to it, which shall thereafter in due course deliver to such shareholders, the shares in the New Company issued in terms of Clause 2 above, and, the reduced-cum-consolidated shares in the Existing Company, to which they are entitled in terms of the foregoing provision of the Scheme upon allotment thereof.

SECTION - "C"

7. Subject to the relevant approvals and simultaneously with the completion of formalities for allotment of shares in the New Company, the following further steps shall be taken by the Existing Company for implementation of the Scheme of Arrangement and the provisions of the Joint Venture Agreement :—
 - (a) The existing Company shall act and is constituted as the Registrar and Transfer Agent to receive the deposit of share certificates of the Existing Company and for issue and exchange of the shares in the New Company and the reduced-cum-consolidated share certificates of the Existing Company in accordance with Part "V" Section "B" hereof.
 - (b) The Existing Company shall be authorised on behalf of the entire body of its shareholders to transfer 26% of the reduced-cum-consolidated shares in the Existing Company to HP Co. The transfer shall be effected by the Existing

Company only upon receiving written confirmation that M/s. Price Waterhouse has received in escrow the full purchase consideration of Rs. 46.30 crores and stamp duty and other costs of transfer, as provided herein. After receipt of such written confirmation from M/s. Price Waterhouse, the Existing Company shall deposit and deliver these shares to M/s. Price Waterhouse in escrow. The shareholders of the Existing Company whose shares are transferred in accordance with this Scheme shall receive the purchase consideration at the unit price per share of Rs. 176 (approx.) from HP Co. acting through M/s. Price Waterhouse under the escrow arrangement, subject to the Financial Institutions not exercising their option of conversion before the Effective Date. In the event of the Financial Institutions exercising their option of conversion before the Effective Date, the unit price per share receivable as purchase consideration will be a sum of Rs. 169 (approx.) instead of Rs. 176 (approx.) as mentioned above.

- (c) As far as the persons mentioned in Annexure-A to the Scheme are concerned, the shares to be transferred to HP Co are those indicated in the Annexure-A. As far as rest of the shareholders are concerned, they are bound and liable as a condition of the Scheme for the pro-rated transfer of shares out of their holding to HP Co to the extent of 26%.
 - (d) In case the transfer result in any fractional shares in the hands of any shareholder, such fraction shall not be required to be transferred but the shareholders concerned shall transfer shares equal to the nearest lowest integer. In case there is a short fall in the shares transferable to HPCo as a result of the fractions created and/or for any reason, the aggregate of such shortfall shall be made up in the first instance by transferring the shares allotted to the Trustee appointed in pursuance of Part "V" Section "B" Clause 5(b) and the balance, if any from the persons mentioned in Annexure-A in a manner mutually agreed by them and HPCo.
 - (e) M/s. Price Waterhouse would deliver the shares deposited by the Existing Company as transfer agent of its shareholders to M/s. HPCo or its nominees only upon the simultaneous distribution of the consideration received in trust to the said shareholders.
 - (f) The escrow arrangement shall stand dissolved only upon M/s. Price Waterhouse simultaneously and forthwith releasing the purchase consideration. No interest shall be payable on the purchase consideration to any shareholder whatsoever.
 - (g) In view of the Existing Company being constituted as a Transfer Agent on behalf of all of its shareholders, the Existing Company as an agent constituted under the Scheme and in furtherance of the Joint Venture Agreement shall execute a single transfer deed on behalf of the shareholders for 26% of the shares transferred to HPCo post reduction-cum-consolidation of the capital of the Existing Company in accordance with Part "V" Section "B" Clause 5 herein. The stamp duty for the above transfer shall be borne by the HPCo. Prior to lodgement for transfer HPCo shall make such additional remittance to M/s. Price Waterhouse of an amount equivalent to such stamp duty and any other cost of transfer as may be required for such purpose. M/s. Price Waterhouse shall make over this money to the Existing Company for executing the transfer deed and for purchase of the transfer stamps.
 - (h) HPCo shall be deemed to include any of its wholly owned subsidiary incorporated in USA and nominated in that behalf by HPCo.
8. Unless otherwise decided by the Board of Directors of the Existing Company and the New Company allotment of shares in terms of Clause 2 & 6 of this Part shall be done within 60 days from the record date fixed under Clause 2 of this part.
9. In the event any of the shareholder of the Existing Company failing to deposit or surrender the share certificates for the purposes of obtaining the new share certificates of the New Company and the consolidated-cum-reduced shares of the Existing Company, the previous share certificates shall nevertheless become non-tradeable securities post reduction-cum-consolidation under the Scheme. The Existing Company shall deliver the share certificates of both the companies in accordance with this Part to the shareholders as per the Register of Members of the Existing Company on the Record Date, by registered post. The new share certificate of the Existing Company shall be tradeable and marketable security after the Record Date.
10. The Existing Company shall not be required to use the words "and reduced" as part of the corporate name and such use is dispensed with. Share certificates issued in the New Company and the Existing Company shall be in respect of the renamed company in terms of Clause 3 of Part VI of this Scheme.

PART VI

GENERAL TERMS & CONDITIONS

1. In recognition of the conversion option available to the Financial Institutions pursuant to the Loan Agreement dated 19th February 1990 it is hereby provided that should the Financial Institutions exercise their option before the Effective Date to acquire 6,76,706 equity shares or part thereof by conversion of loan, equity share so acquired by the Financial Institutions shall be deemed to have been acquired on the Appointed Date and shall have all the rights, privileges and obligations of other shareholders under this Scheme and the share capital and share premium account arising as a consequence of such conversion shall be allocated between the Existing Company and the New Company in the ratio of 68:32.
2. Despite HPCo being registered as a shareholder in the midst of a financial year, only the registered shareholders in the books of the Company as on the date of book closure before the ensuing Annual General Meeting of the Existing Company, shall be entitled to such dividend as may be declared by the Existing Company.
3. (a) Upon coming into effect of the Scheme, the Existing Company shall change its name from "HCL LIMITED" to "HCL-HEWLETT PACKARD LIMITED". The New Company shall be renamed as "HCL LIMITED". The two companies shall file requisite applications before the Central Government or the Registrar of Companies as the case may be for the purposes of change of such name,

(b) The Existing Company shall amend its Articles of Association in order to provide for various matters relating to the protection of the name of "Hewlett-Packard" or HPCo, and, in respect of protection of various rights of HPCo as a Joint Venture partner in the Existing Company and as holders of 26% shares in the Existing Company. The Existing Company shall, as an ingredient of the Scheme, but not otherwise, pass appropriate resolutions of the General body of shareholders of the Company for carrying out such amendments to its Articles of Association.

(c) The New Company shall suitably amend its Memorandum & Articles of Association.
4. (a) The accounts of the Existing Company, HCL-HP Divisions and HCL Divisions have prepared on the basis of book values as on 30th June, 1990 as approved by the Board for the purpose of this Scheme.

(b) The profits and losses of the Existing Company and the New Company after 30th June, 1990 shall include Corporate Management Fees allocated on the same basis as above.
5. The issue and allotment of the shares under the provisions of this Scheme to the non-resident shareholders will be made subject to the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 and on such terms and in such manner as the Reserve Bank of India may impose.
6. The Existing Company and the New Company shall make necessary applications before the Hon'ble High Court at Delhi for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Act. All the disputes/differences arising out of this Scheme shall be subject to the jurisdiction of Delhi Court only.
7. All costs, charges, taxes including duties, levies and all other expenses, if any, (save and expressly provided otherwise) arising out of or incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto shall be borne and paid by the Existing Company and the New Company in the ratio of 70:30. However, costs, charges, taxes including duties, levies and other expenses arising out of the implementation of the Scheme will respect to assets or liabilities which are divided in a ratio different from 70:30 shall be divided according to the ratio applicable to such assets or liabilities.
- 7A. In the event of their being any pending share transfers, whether lodged or outstanding, of any shareholders of the Existing Company, the Board of Directors of the Existing Company shall be empowered in appropriate cases even subsequent to the Record Date or the Effective Date as the case may be to effectuate such a transfer in the Existing Company as if such change in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor in the New Company and in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Existing Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the New Company on account of difficulties faced in the transaction period.
8. The Existing Company (by its Directors) and the New Company (by its Directors) may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the Court and/or any other Authority may deem fit to approve of impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the

Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debentureholders of the respective companies).

The Scheme is conditional upon and subject to :

- (a) The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Existing Company and the New Company as may be required and the requisite orders of the court referred to in Clause 6 hereof being obtained;
 - (b) The approval of the Controller of Capital Issues under the Capital Issues (Control) Act, 1947 to the issue and allotment of Equity Shares in the New Company to the Equity Shares of the Existing Company in terms of this Scheme;
 - (c) The approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 to various matters referred to in terms of this Scheme for which approval is necessary;
 - (d) Such other sanctions and approvals including sanction of any Government Authority, creditor, lessor or contracting party as may be required by law in respect of the Scheme being obtained; and
 - (e) The certified copies of the orders referred to in this Scheme being filed with the Registrar of Companies, Delhi.
10. In the event of this Scheme failing to take effect finally by 31st December 1992 or such further period as may be agreed by Board of Directors of the two Companies, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own cost or as may be mutually agreed.
11. In the event of non-fulfillment of any or all obligations under the Scheme, by any Company towards the other Company, then such company will indemnify all costs/interest, etc. to the other Company.

ANNEXURE 'A'

S. No.	Name of the Shareholder	No. of shares of HCL Limited agreed to be sold to HPCo post reduction & consolidation
1.	Guddu Investments P. Ltd.	14800
2.	Kiran Nadar	21500
3.	Northwest Consultancy Services P. Ltd.	5000
4.	Perfect Audio Visual Systems P. Ltd.	5000
5.	Roshini Investments P. Ltd.	10000
6.	Roshini Nadar	4000
7.	S. S. Nadar S/o Late S. S. Nadar	100000
8.	Shiv Nadar Investments Pvt. Ltd.	32600
9.	Slocum Investments Pvt. Ltd.	404002
10.	Vama Sundari Investments P. Ltd.	18900
11.	Vincent Engineering P. Ltd.	5000
12.	A. K. Chowdhry	114486
13.	Appollo Trading & Finance P. Ltd.	20000
14.	Gita Chowdhry	7000
15.	Kunal Chowdhry	3000
16.	D. S. Puri (HUF)	25000
17.	Devender Singh Puri S/o Late S. S. Puri	—
18.	Nina Puri	10000
19.	Reetika Puri (Minor)	15500
20.	Reetika Puri (Trust)	15500
21.	Vikramjit Singh Puri (Minor)	15500
22.	Vikramjit Sing Puri (Trust)	15500
23.	Vireet Investments P. Ltd.	9166
24.	Viren Investments P. Ltd.	—
25.	A. K. M. Systems P. Ltd.	—
26.	Arjun Malhotra (HUF)	42000
27.	Glad Investments P. Ltd.	26710
28.	Kiran Malhotra	34000
29.	M. C. Malhotra	87000
30.	P. Malhotra	38000
31.	Poorva Investment P. Ltd.	—

Contd.....2

ANNEXURE 'A' – Contd.....

32.	Poorva Malhotra (Minor)	68000
33.	Poorva Malhotra Trust	97000
34.	Shiven Investment P. Ltd.	–
35.	Shiven Malhotra (Minor)	68000
36.	Shiven Malhotra (Trust)	97000
37.	Ashish Vaidya (Minor)	45000
38.	Associated Techno Plastics P. Ltd.	152820
39.	Prasanna Vaidya	35000
40.	Shamili Vaidya (Minor)	45000
41.	Y. C. Vaidya (HUF)	30000
42.	Anshul Arora (Minor)	25000
43.	Manik Arora (Minor)	25000
44.	Molly Trading Co. P. Ltd.	47000
45.	Subhash Arora (HUF)	10000
46.	Subhash Arora Investment P. Ltd.	140657
47.	Akshay Chowdhry	3000
48.	Arjun Malhotra	43000
49.	Subhash Arora	40000
50.	Y. C. Vaidya	–
		<hr/> 20,70,641

This constitutes 26% of the aggregate transferable shares of the above 50 shareholders

SCHEDULE – II

PART – I

(Short description of the freehold property of the existing company)

1. Land at 3, Udyog Vihar, Dundhera, Gurgaon and building thereon.
2. Land in village Niranjapur, P.O. Majra, Dehradun and building thereon.
3. Land at Mouje Chhatral, Taluka Kalol, Dist. Mehsana Ahmedabad, Gujarat.
4. Flat No. 311, Tulsani Chambers, Nariman Port, Bombay.
5. Flat No. 221, 222, T.V. Industrial Estate, Worli, Bombay.
6. Flat No. 201 and Basement at Todi Udyog Kendra, 35, Saki Vihar Road, Andheri (East), Bombay.

PART – II

(Short description of the leasehold property of the existing company)

1. Industrial Plot at C-56, Phase – II, Noida, U.P.

PART – III

(Short description of all stocks, shares, debentures and other choses in action
of the existing company)

1. 550 H.D.F.C Bonds of Rs. 1000/- each redeemable at par.
2. 75,000 Units of Rs. 10/- each of Unit Trust of India under 1964 scheme fully paid.
3. 5000 Units of Rs. 100/- each in Vecaus-II Scheme (initial subscription @ Rs. 30/- per unit paid).
4. 45,00,101 nos. equity shares of one US \$ each fully paid up in HCL America Inc. U.S.A.
5. 9,99,930 equity shares of Rs. 10/- each fully paid up in HCL Finance and Investments Limited.
6. 5,50,000 nos. ordinary shares of one Singapore \$ each fully paid up in Far East Computers Pte. Limited, Singapore.

Sd/-

Dated this 26th day of November, 1991

REGISTRAR

IN THE HIGH COURT OF DELHI

Company Petition No. 341 of 2002

In the matter of HCL INFOSYSTEMS LIMITED
Through Mr. Manish Lamba, Advocate.

.....Petitioner

Ms. Geeta Sharma for the O.L.
Mr. Dinesh Chand, Dy. Registrar for Regional Director.

CORAM:
HON'BLE MR. MUKUL MUDGAL

ORDER
19.02.2003

This petition is filed under Section 391(2) and 394 of the Companies Act praying for grant of sanction to a scheme of Amalgamation between Newage Industries Pvt. Limited (Transferor Company) and HCL Infosystems Limited (Transferee Company). The petitioner herein is the transferee company.

The registered office of the petitioner company is within the territorial jurisdiction of this Court.

A copy of the Scheme of Amalgamation has been placed on record. The salient features of the Scheme and the circumstances which necessitated the amalgamation between the companies have been explained in the petition.

The Board of Directors of the petitioner company had passed the Resolution approving the proposed Scheme of Amalgamation. The petitioner company had filed CA(M) No. 150/2002 praying for directions regarding the convening of the meetings of its shareholders and the creditors for the purpose of considering and approving the Scheme of Amalgamation. By the Order dated 3rd September, 2002 passed in the said application, directions were issued by this Court, dispensing with the requirement of holding the separate meetings of the Shareholders and the Creditors of the petitioner company. It is stated in the petition that no proceedings under Sections 235 to 251 of the Companies Act are pending against the petitioner company.

Notice of this petition was issued to the Official Liquidator attached to this Court and the Regional Director, Department of Company Affairs, Kanpur. Both of them have filed their reply affidavit raising objection to the effect that the Memorandum of the company does not contain powers to amalgamate with any other company. This objection has been dealt with in para 9 of the Judgement of Hon'ble Mr. Justice Vikramajit Sen in Company Petition No. 312 - 314/2002 delivered on 21st November, 2002. The learned judge held as follows:

"9. ----- It is quite clear that the powers of the Court under Sections 391 to 394 are not circumscribed or predicated on the applicant company possessing powers under its objects clause to amalgamate with any other company. As has been observed by the Division Bench of the Calcutta High Court, if such a power is in fact contained in the Memorandum of the respective companies, those companies need not seek the imprimatur and approval of the Company Judge and may initiate and effect the amalgamation de hors the company judge. In these circumstances the objection raised by the Regional Director is overruled."

The extract of the above judgment clearly indicates that the powers of company judge under Section 391 to 394 were construed to mean that the powers of the company Judge are not circumscribed by the memorandum of the company and the decision did not turn on the Company being a Transferee Company or Transferor Company. Accordingly this objection is overruled.

Notice of the petition was also advertised in "Times of India" (English) and 'Veer Arjun' (Hindi). However, nobody has filed any objection to the grant of sanction to the proposed Scheme of Amalgamation.

Having regard to the averments in the petition and the materials placed on record, I am satisfied that the petitioner company has disclosed to this Court all material facts relating to the Company as are required under Section 391 of the Companies Act. Since the shareholders and the creditors of the company have approved the proposed Scheme of Amalgamation and since the objection raised by the O.L. and the Regional Director does not survive nor has any objection been filed to the proposed Scheme, I do not find any legal impediment to the grant of sanction to the proposed Scheme of Amalgamation. In my view, the prayer made in this petition deserves to be allowed in the interest of justice.

In the above circumstance, sanction under section 391(2) of the Companies Act is granted to the proposed Scheme of Amalgamation.

The petition stands disposed of in the above terms.

Dasti to the parties.

February 19, 2003

Sd/-
MUKUL MUDGAL. J.

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT. 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

BETWEEN

COMPANY PETITION NO. 340/2002
CONNECTED WITH
COMPANY APPLICATION NO. (M) 151/2002

IN THE MATTER OF M/s Newage Industries Pvt. Ltd.
having its Regd. Office at
C-91/10, Wazirpur Industrial Area,
New Delhi - 110052

.....Petitioner
Transferor Company
(Within the Jurisdiction of this Court)

AND

COMPANY PETITION NO. 341/ 2002
CONNECTED WITH
COMPANY APPLICATION NO. 150/2002
IN THE MATTER OF M/s HCL Infosystems Ltd.
having its Regd Office at 806-808, Siddharth, 96, Nehru Place,
New Delhi - 110019

.....Petitioner
Transferor Company
(Within the Jurisdiction of this Court)

BEFORE HON' BLE MR. JUSTICE MUKUL MUDGAL
DATED THIS 19TH DAY OF FEBRUARY, 2003

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956.

The above petitions coming up for hearing on 19.02.2003 for sanction of the scheme of amalgamation proposed to be made between M/s Newage Industries Pvt. Ltd. (hereinafter referred to as the transferor company) and M/s HCL Infosystems Ltd., (hereinafter referred to as the transferee company), upon reading the said petition the order dated 3.9.2002 dispensing with the requirement for convening the meeting of the creditors / shareholders / equity shareholders of the transferor and transferee companies for the purpose of considering, and if though fit, approving, with or without modification, the scheme of amalgamation annexed to the affidavit of Sh. K.R. Radhakrishnan, the Director of the Transferor Company and the Secretary of the Transferee Company filed on 29th day of August, 2002 and the newspapers namely (1) Times of India (English) (2) Veer Arjun (Hindi) both dated 16.11.2002 each containing the advertisement of the said notice of the petition and upon hearing Sh. Manish Lamba, advocate for the petitioner Ms. Geeta Sharma for the Official Liquidator and Sh. Dinesh Chand Deputy Registrar for the Regional Director and upon reading the affidavit dated 24.1.2003 of Sh. U.G. Nahta, Regional Director, Northern Region Department of Company Affairs, Kanpur on behalf of Central Government and the affidavit of Sh. V.P. Singhal Official Liquidator dated 4.2.2003 both of them raised objection to the effect that the Memorandum of the company does not contain powers to amalgamate with any other company. This objection has been dealt with in para 9 of the judgment of Hon'ble Mr. Justice Vikramajit Sen in Company Petition No. 312-314/2002 delivered on 21st November, 2002. The learned Judge held as follows :

" 9 ----- It is quite clear that the powers of the Court under Sections 391 to 394 are not circumscribed or predicated on the applicant company possessing powers under its objects clause to amalgamate with any other company. As has been observed by the Division Bench of the Calcutta High Court, if such a power is in fact contained in the Memorandum of the respective companies, those companies need not seek the imprimatur and approval of the Company Judge and may initiate and effect the amalgamation de hors the Company Judge. In these circumstances the objection raised by the Regional Director is overruled."

Learned counsel for O.L. states that the above judgement is related to the Transferee Company and not to the Transferor Company whereas the objection is raised on the pleadings that the Transferor Company lacking power in its memorandum to amalgamate with any other Company. The extract of the above judgement clearly indicates that the power of Company Judge under Section 391 to 394 were construed to mean that the power of the Company Judge are not circumscribed by the memorandum

of the company and the decision did not turn on the company being a transferee or a transferor company. Accordingly this objection is overruled and the Transferor Company could be dissolved without process of winding up there being no investigation proceedings pending in relation to petitioner companies under sections 235 to 251 of the Companies act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION setforth in Schedule-I annexed hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor Company and Transferee Company and doth approved the scheme of amalgamation with effect from the appointed date i.e. 1.4.2002.

AND THIS COURT DOTH FURTHER ORDERS:

1. That all the property, rights and powers of the Transferor Company specified in the First, Second and Third parts of the Schedule -II herto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to section 394 (2) of the Companies Act, 1956 be transferred to and vest in the transferee company for all the estate and interest of the transferor company therein but subject neverthe less to all charges now affecting the same: and
2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
4. That the Transferee Company do without further appliocation allot to such members of the Transferor Companies as not given such notice of dissent as is required by Clause 3 given in the scheme of Amalgamation herein the shares in the Transferee Company to which they are entitled under the said Amalgamation; and
5. That the said Transferor Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Comany and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly; and
6. That any person interested shall be at liberty to apply to the court in the above matter for any direction that may be necessary.

**SCHEME OF AMALGAMATION
OF
NEWAGE INDUSTRIES PVT. LTD.
WITH
HCL INFOSYSTEMS LTD.**

This Scheme of Amalgamation (hereinafter referred to as the "Scheme") consists of the Scheme for the Amalgamation of Newage Industries Pvt. Ltd. with HCL Infosystems Limited.

1. GENERAL

The Scheme is made pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Company Act, 1956 ("the Act")

2. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below;

- (a) **"Act"** means the Company Act, 1956 or any amendments thereto or re-enactment thereof.
- (b) **"Appointed Date"** for the purposes of the Scheme means the 1st Day of April, 2002 or such other date(s) as the Honourable High Court of Delhi may direct.
- (c) **"Effective Date"** shall be the last of the following dates or such other dates as the Honourable High Court of Delhi may direct, namely:
 - (i) the date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as may be required by law have been obtained or passed; and
 - (ii) the date on which certified copies of the Order of the Court under Section 391, 392 and 394 of the said Act are filed with the Registrar of Company, National Capital Territory of Delhi and Haryana.
- (d) **"Scheme"** means this Scheme of Amalgamation in its present form with any amendment/modifications approved or imposed or directed by the shareholders of the Transferor Company or by the Transferee Company or approved or directed by the Honourable High Court of Delhi.
- (e) **"Transferor Company"** means **Newage Industries Pvt. Ltd.**, a company incorporated under the Company Act, 1956 and having its registered office at C-91/10, Wazirpur Industrial Area, Delhi 110 052.
- (f) **"The Transferee Company"** means **HCL Infosystems Limited**, a company incorporated under the Company Act, 1956 and having its registered office at 806-808 Siddharth, 96, Nehru Place, New Delhi 110 019.

3. SHARE CAPITAL

The authorized, issued, subscribed and paid up capital of the Transferor Company and the Transferee Company is as under:

(Amount in Rs.)

Transferor Company	Authorised Share Capital	Issued, Subscribed and Paid up Capital
Newage Industries Pvt. Ltd.	Rs. 25,00,000/- (Rupees Twenty five lacs only) consisting of 25,000 equity shares of Rs. 100/- each	12,291 Equity shares of Rs.100/- each fully paid up in cash aggregating to Rs.12,29,100/-

Transferee Company	Authorised Share Capital	Issued, Subscribed and Paid up Capital
HCL Infosystems Limited	Rs. 85,00,00,000/- (Rupees Eighty Five Crores only) consisting of 8,00,00,000 Equity shares of Rs.10/- each aggregating to Rs.80,00,00,000/- and 5,00,000 preference shares of Rs.100/- each aggregating to Rs.5,00,00,000/-	3,19,09,459 Equity shares of Rs.10/- each fully paid up in cash aggregating to Rs.31,90,94,590/-

4. TRANSFER OF ASSETS AND LIABILITIES

(a) Transfer of Assets, Rights, Title etc.

- 4.1 With effect from the Appointed Date and subject to the provisions of the Scheme including in relation to the mode of vesting, the undertaking and the entire business of the Transferor Company including all the movable and immovable properties, tangible and intangible properties, assets, buildings, offices, investments of all kinds, lease and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, power, benefits, easements, and privileges of whatsoever nature and wherever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to trade names and other intellectual property rights of any nature whatsoever, permits, approvals, authorizations, rights to use telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests or benefits whatsoever shall without any further act or deed be and stand vested in and/or be deemed to be and stand vested in the Transferee Company pursuant to the provisions of Section 394 of the said Act so as to become on and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.
- 4.2 Without prejudice to the provisions of clause 4.1 thereof in respect of such of the assets of the Transferor Company, as are movable in nature or are otherwise capable of transfer by mutual delivery or by endorsement and delivery, the same may be so transferred by the Transferor Company and shall, become the property of Transferee Company thereon as an integral part of the Transferee Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of the Transferee and Transferor Companies after the order of the Delhi High Court sanctioning the Scheme is duly passed.
- 4.3 In respect of such of the said Assets of the Transferor Company other than those referred to in 4.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in the Transferee Company on and from the Appointed Date pursuant to the provisions of Section 394 of the said Act.

Transfer of debts, liabilities, etc.

- 4.4. Upon the coming into effect of the Scheme and with effect from the Appointed Date:
- (a) All secured and unsecured debts, liabilities including contingent liabilities, whether disclosed or undisclosed, duties, taxes and obligations of the Transferor Company alongwith any charge, encumbrance, lien or security thereon (hereinafter referred to as the "**said Liabilities**") shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (b) (i) In so far as securities, note if any, issued by the Transferor Company and held by the Transferee Company, and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Company or Transferee Company as the case may be, at any time prior to the Effective Date, stand cancelled, and shall be of no effect and the relevant Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

-
- (ii) All debts, outstandings and receivables of the Transferor Company shall accordingly, on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, if it so deems appropriate, give notice to the debtors that the debts do stand transferred to and vested in the Transferee Company) and the debtors shall be obliged to make payments to the Transferee Company on and after the Appointed Date.
 - (c) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the said Act, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme.

Continuance of business activities pending approval

4.5 (A) With effect from the Appointed Date up to and including the Effective Date:

- (a) the Transferor Company shall carry on and shall be deemed to have carried on all their businesses and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all their assets for and on account of, and in trust for, the Transferee Company;
 - (b) the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, without the prior written consent of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantee, indemnities, letters of comfort or commitments, either for itself or on behalf of its subsidiaries, if any, or group companies or any third party, or same as expressly permitted by this Scheme or with the prior written consent of the Transferee Company, alienate, charge, mortgage or encumber the said Assets and shall not deal with the said Assets or any part thereof; and
 - (c) the Transferor Company and the Transferee Company shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner, except by mutual consent of the respective Boards of Directors of the Transferor Company and the Transferee Company.
- (B) With effect from Appointed Date upto and including the Effective Date, all the profits or incomes accruing or arising to the Transferor Company or expenditure, or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

Notwithstanding the aforesaid, the Transferee Company can declare and pay dividend to the shareholders whose names appear on the Register of Members of the respective company at the relevant point of time.

4.6 Legal Proceedings

Upon the coming into effect of this Scheme,

- (a) all suits, actions and proceedings by or against the Transferor Company, if any, pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.
- (b) the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

4.7 Contracts, Deeds, Bonds and other Instruments:

- (a) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, guarantees, leasehold, rights, tenancy rights, arrangements and other instruments of whatsoever nature to which the Transferor Company are parties or to the benefit of which

the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

- (b) The Transferee Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favour of any party to any contract arrangement, agreement etc. as referred in clause (a) above, to which the Transferor Company are parties or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.
- (c) All guarantees provided by third parties for and on behalf of the Transferor Company shall continue to operate and remain effective for and on account of and for the benefit of the Transferee Company and shall be dealt in the same manner as it would have been given for and on behalf of the Transferee Company.

Dissolution of the Transferor Company

- 4.8 The Transferor Company, upon coming into effect of this Scheme, shall be dissolved without winding up, subject to an Order being made by the Honourable High Court under Section 394 of the said Act.

5. Accounting Treatment and Consideration:

(A) Accounting Treatment

- 5.1 Upon the Scheme becoming effective and as on the Effective Date:
- (i) Share capital of the Transferor Company to the extent the same is held by the Transferee Company stand cancelled. Correspondingly, the investments appearing in the books of the Transferee Company pertaining to shares held in the Transferor Company also stand extinguished. Difference in the values at which such share capital and investments of the Transferor Company and the Transferee Company get extinguished shall be adjusted through the "Share Premium Account" and/or the "General Reserve Account" in the books of the Transferee Company.
 - (ii) The net surplus/deficit, if any, arising out of the amalgamation in the books of the Transferee Company, after providing for the adjustments set forth above, shall be credited/debited by the Transferee Company, to the "Amalgamation Reserve Account" or General Reserve Account as the case may be.
- 5.2 As the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company, upon the Scheme becoming effective, the share capital of the said Transferor Company shall automatically stand cancelled and there will be no issue and allotment of shares by the Transferee Company as a result of amalgamation of the Transferor Company with the Transferee Company.
- 5.3 The approval of the Scheme by the Hon'ble High Court shall be considered as an approval under sections 17, 100 and 101 and other applicable provisions of the Act.

6. OTHER CONDITIONS APPLICABLE TO THE SCHEME

6.1 Application/Petition to Hon'ble High Court of Delhi

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make applications to the Honourable High Court of Delhi under Sections 391 and 394 and other applicable provisions of the said Act, for sanctioning this Scheme and for dissolution of the Transferor Company without winding up and for convening and/or seeking exemption to convene the meeting of the shareholders and/or of the creditors, and to obtain all other approvals as may be required under law.

6.2 Modifications/amendments to the Scheme

- (a) The Transferor Company and the Transferee Company by their respective Boards of Directors either by themselves or by any committee constituted by the Board of Directors in this behalf may make or assent from time to time on behalf of all persons concerned to any extensions, modifications or amendments to this Scheme or of any conditions or limitations which the Court and/or any authorities/persons may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme, and if necessary, to waive any of those (to the extent permissible under law)
- (b) for the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of the Transferee Company or any committee constituted by the Board of Directors in this behalf may give and are authorised to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

6.3 Scheme conditional on Approvals/Sanctions

This Scheme is conditional on and subject to:

- (a) Sanction of the Scheme by the Hon'ble High Court of Delhi.
- (b) such other sanctions and approvals including sanction by any Govt. or Regulatory Authority, as may be required by law in respect of the Scheme being obtained.

6.4 Effect of non-receipt of approvals/sanctions:

- (a) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/or the order(s) not being passed as aforesaid on or before 31st March, 2003 or within such further period or periods as may be agreed upon by and between the Transferor Company and the Transferee Company, this Scheme shall stand revoked and cancelled and become null and void and be of no effect.
- (b) In the event any of the conditions that may be imposed by the Court and/or competent authority which the Transferor Company and/or the Transferee Company may find unacceptable for any reason then they are at liberty to withdraw from the Scheme.
- (c) If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of or implementation of the other part and/or the provisions of this Scheme.

6.5 Expenses Connected with the Scheme

The Transferor Company and the Transferee Company shall bear their respective costs, charges and expenses in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms.

6.6 Headings

The headings inserted in this Scheme are for convenient reference only and shall not be used to construe or interpret the Scheme.

**SCHEDULE OF PROPERTIES, RIGHTS AND POWERS OF THE
TRANSFEROR COMPANY AS ON 31ST MARCH, 2002**

PART-I – FREEHOLD PROPERTY

NIL

PART-II – LEASEHOLD PROPERTY

Industrial Plot at E-1, 2, 3, 36, 37 and 38 in Sector XI, Noida.

PART-III – STOCKS, SHARES, DEBENTURES AND OTHER CHARGES IN ACTION

NIL

Dated this the 19th day of February, 2003

(By order of the Court)

Registrar (Admn. Judl.)

IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY PETITION NO. 140 OF 2003
& CA Nos. 460-461, 565, 647, 662, 705-708/2003
with Company Petitions Nos. 141/2003 and 142/2003

Date of Decision: July 8, 2003

In the matter of

CP No. 140/2003:
HCL INFOSYSTEMS LIMITED

CP No. 141/2003:
HCL INFINET LIMITED

CP No. 142/2003:
HCL TECHNOLOGIES LIMITED

.....Petitioners.

... represented by Mr. C.S. Vaidaynath, Senior Advocate
with Mr. C. Mukhopadhyay, Mr. Ajoy, K. Roy,
and Mr. Nishant K. Singh, Advocates

Ms. Shelka Arora, Advocate, for
Ms. Bindu Khosla, Objector.

Mr. Pawan Kumar Dalmia, Objector, in person.

Mr. Rupam Khosla, Objector, in person.

Mr. Dinesh Chand, Deputy Registrar, ROC, for
Regional Director, Deptt. of Co. Affairs, Kanpur

CORAM:
HON'BLE JUSTICE DR. MUKUNDAKAM SHARMA

- | | |
|---|-----|
| 1. Whether reporters of local papers may be allowed to see the judgement? | |
| 2. To be referred to the Reporter or not? | Yes |
| 3. Whether the judgment should be reported in the Digest? | Yes |

Dr. Mukundakam Sharma, J:

These are three petitions filed by the petitioner companies under sections 391 to 394 of the Companies Act, 1956, praying for according sanction to the scheme of arrangement between M/s. HCL Infosystems Limited, the demerged company, and HCL Technologies Limited, the resulting company, and HCL Infinet Limited, the transferee company. As the issues arising for consideration revolve around similar facts and similar issues. I propose to dispose of all the three petitions by this common judgment and order.

HCL Infosystems Limited proposed to enter into a scheme of arrangement with HCL Technologies Limited and HCL Infinet Limited. The aforesaid scheme was approved by the Boards of all the three companies. The petitioners on the basis thereof filed applications in this Court under section 391(1) and 394 of the Companies Act praying for directions convening of the meetings of the shareholders and the secured and unsecured creditors of all the three companies for the purpose of considering the scheme of arrangement.

The application filed by HCL Infosystems Ltd. was registered as CA(M) 21 of 2003. This Court after considering the records and the averments made in the application was satisfied that it was not necessary to hold separate meetings of the unsecured creditors of the said company to whom the debt due is below Rs. 10 lakhs. Accordingly, the requirement of convening the meeting of 3137 unsecured creditors of the said company to whom the debt due was below Rs. 10 lakhs was dispensed with. However, the meeting of the shareholders, secured creditors and the unsecured creditors to whom the debt due was above Rs. 10 lakhs were directed to be convened for the purpose of considering and approving the proposed scheme of arrangement. In terms thereof certain directions were issued by this Court on February 3, 2003 directing for convening the meetings of the Shareholders, secured creditors and unsecured creditors in the aforesaid manner on March 24, 2003. In order to carry out the aforesaid directions as made in the said order dated February 3, 2003, this Court appointed Mr. Ravi Kant Chadha, Advocate, and Mr. Sridhar Y. Chitale, Advocate, as Chairperson and Alternate Chairperson, respectively, to conduct the aforesaid meetings. The meetings were so convened and the same were held as directed in the order dated February 3, 2003 and a report thereof was submitted by the Chairperson appointed by this Court. In the said report submitted by the Chairperson it is stated that the meetings of the shareholders, the secured creditors and the unsecured creditors were summoned by notice individually served upon each of the shareholders, secured and unsecured creditors through U.P.C. and by advertisements dated February 28, 2003 in The Statesman and Veer Arjun. It is also stated in the report submitted that such shareholders and secured and unsecured creditors of HCL Infosystems Limited approved and adopted the aforesaid scheme of arrangement.

The application filed by HCL Infinet Limited was registered as CA (M) 22/2003 and that filed by HCL Technologies Limited as CA (M) 23/2003. By separate orders passed by this Court directions were issued for convening the meetings of the shareholders, secured creditors and unsecured creditors on March 24, 2003. The requirement of convening the meeting of the sole secured creditor of HCL Technologies Ltd. was dispensed with as the sole secured creditor had no objection to the proposed scheme of arrangement. The meetings were held as directed and the Chairpersons appointed submitted their respective reports. Thereafter, the present petitions were filed by the petitioner companies seeking for the aforesaid relief.

Notices were issued on these petitions upon which the Regional Director has submitted a report. In Company Petition No. 140/2003 filed by HCL Infosystems Limited three objections have also been filed by three shareholders raising various objections to the manner and mode in which the aforesaid meetings were held and also raising various objections to the scheme of arrangement. The Regional Director filed his report. In paragraph 4 of the said report it is stated that the details of the assets and liabilities and the value of the software service business proposed to be transferred to the resulting company, namely, M/s. HCL Technologies Limited, have not been stated either in the scheme of arrangement or in the joint valuation report submitted by M/s. Price Waterhouse Coopers Pvt. Ltd., New Delhi, and M/s. Bansilal S. Mehta & Co. Chartered Accountants, Mumbai. In the said report another statement is made by the Regional Director to the effect that detailed calculations and the basis on which the share entitlement ratio of 2:9 has been worked out have not been stated in the valuation report. It is stated that in absence of said detailed calculations the Central Government is not in a position to form an opinion on the reasonableness of the share entitlement ratio. In paragraph 5 of the said report, reference is also made by the Regional Director to a letter filed by one of the shareholders of the company, namely, Shri Pawan Kumar Dalmia. It is pointed out that the said letter was submitted to the Regional Director alleging that the scheme of arrangement was illegal, wrong and contrary to the provisions of the Companies Act. It is, however, stated that the allegations made in the said letter could not be substantiated with relevant facts and evidence and that the allegations made in the said letter are general in nature. Said Pawan Kumar Dalmia also submitted an objection in this Court opposing the prayer for according sanction to the scheme of arrangement. Similarly, Shri Rupan Khosla and Ms. Bindu Khosla have also filed two objections in this Court. In the light of the aforesaid facts and the objections filed I have heard the learned counsel appealing for the petitioners, as also Mr. Rupan Khosla and Mr. Pawan Kumar Dalmia, who appealed in person before me, and also Ms. Shellka Arora, Advocate, who appeared for and represented Ms. Bindu Khosla. The Deputy Registrar represented the Regional Director during the course of arguments and he was also heard at length.

Incidentally, Ms. Bindu Khosla is the wife of Mr. Rupan Khosla and they together held 1250 number of shares constituting 0.00387% of the total paid up share capital of 31,90,459 equity shares of Rs.10 each of HCL Technologies Limited. It is also disclosed from the records that all the three objectors, namely, Rupan Khosla, Bindu Khosla and Pawan Kumar Dalmia, are ex-employees of the said company. Mr. Rupan Khosla was an employee of the company till August 28, 2000 when his services were terminated. The services of Bindu Khosla were also dispensed with. On the other hand, Mr. Pawan Kumar Dalmia joined the said company in May 1994 as Company Secretary and remained in that capacity till June 15, 1999 when the company terminated his services. It is also brought out that at the time of his release from service an amount of Rs.6,79,467/- was allegedly due and payable to the company in respect of which a claim was filed claiming the said amount as the principal amount along with interest at the rate of 24%. The said claim is pending for consideration before the Arbitrator. The said objector Mr. Pawan Kumar Dalmia and his wife have also filed three petitions against the said company before the Additional District Judge, Tis Hazari Courts, Delhi. It also appears that a complaint filed by the said objector is also pending for consideration before the Registrar of Companies. That said three objectors being ex-employees of the company and their services having been terminated by the company, it is but natural that the said objectors have axes to grind being disgruntled ex-employees of the company and inimically poised as against the said company. One of the objectors, namely, Pawan Kumar Dalmia in his

objection as also during the course of his arguments sought to refer to incidents and alleged conduct of the company to the period even much prior to the proposed scheme of arrangement. The aforesaid effort clearly proves and establishes the inimical attitude of the objector towards the said company. Even Rupan Khosla during the course of his arguments tried to refer to some of such incidents which were incidents and happenings of the company much prior to the date the aforesaid scheme of arrangement was proposed. The present petitions revolve around the scheme of arrangement in which the first meeting was held on December 18, 2002 whereas the allegations of at least two objectors, as referred to above, pertain to incidents and occurrences much prior to the said date and have no proximity and relevance to the present scheme. This Court is not considering a case of mismanagement and oppression of the company and is only considering the matter regarding the grant of sanction to a scheme of arrangement proposed. The jurisdiction of this Court is limited only to the merit of the present scheme and none of the issues raised beyond the said scheme could be considered by this Court in the present petitions. This was made clear to all the objectors during the course of hearing which position was also accepted by them. The said position is also reiterated in this judgment and order as well, Having held thus, I may now proceed to consider the merit of the objections raised by the three objectors and by the Regional Director in respect or the merit of the scheme of arrangement.

One of the objections that is raised against grant of sanction to the scheme or arrangement is that the three objectors have been denied the opportunity to inspect the documents and the statutory records. It was also pleaded and urged by the said objectors that the documents and the statutory records have not been maintained by the company in accordance with law. In this connection I may record that applications were filed by the objectors praying for a direction to the company to allow the said objectors to inspect the relevant records for the purpose of filing their objections and also to enable them to make their submissions. The company conceded to the aforesaid request in the applications and stated that such records which are necessary for the preparation of the objections and for making arguments could be allowed to be inspected by the said objectors as shareholders in accordance with the provisions of the Companies Act and the Rules framed thereunder. In the light of the stand taken by the parties, this Court appointed a Local Commissioner who was directed to obtain the records from the company and allow inspection thereof as entrusted to her. She has submitted a report contending inter alia that the objectors were given copies and allowed inspection of all such documents which could be given/inspected by a shareholder. It is also stated in the said report that some of the documents as slated in the report could not be shown and copies thereof could not be given as the three objectors as shareholders are not entitled to the same. It is clear from the records placed before me including the report of the Local Commissioner that relevant information and documents have been provided in accordance with law to the objectors. The objectors have inspected the register maintained by the company under section 301 of the Companies Act, the register maintained under sections 372, 372A and 370 of the Companies Act, the valuation report and the register of members. Certified copies of various documents as required by the objectors were also given as is indicated from the report of the Local Commissioner. It also could not be pointed out during the course of argument that any of the documents, access to which was disallowed, was required to be shown to a shareholder like the objectors. All the three objectors have filed detailed objections and have also advanced lengthy arguments in support of their objections and therefore, they are in no manner prejudiced in contesting the scheme of arrangement. The power of this Court also cannot be sought to be invoked for making a fishing and roving enquiry. In Tata Oil Mills Co. Ltd. and Hindustan Lever Limited (1994) 3 Comp.Law Journal 46, it is held by the Bombay High Court that as far disclosure of information is concerned, it will not suffice for the dissenting shareholder merely to show that he was not provided with all the informations and materials on which he could come to a just conclusion in accepting and rejecting the scheme. In that view of the matter, one of the objections raised that the objectors were denied inspection of the relevant documents and of the statutory records cannot be accepted.

The next objection that was raised by all the three objectors was that the scheme of arrangement between the demerged company and the resultant company and the transferee company is illegal, fraudulent and without proper and necessary approval of the shareholders. It is also submitted that the approval of the shareholders and of the secured and unsecured creditors in the aforesaid meetings was obtained on the basis of gross suppression and misrepresentation of material facts. The said objection goes to the root of the matter and, therefore, needs scrutiny by this Court.

The aforesaid objection was sought to be substantiated by stating that statutory requirement of section 391(1)(a) of the Companies Act was not disclosed in the explanatory statement submitted with the notice. It is an admitted position that an explanatory statement was submitted by the company with the notice issued to the shareholders as also the secured and unsecured creditors for whom meetings were directed to be held by this Court. The company has stated that all the necessary disclosures as required under the provisions of section 393 have been made by the company in the explanatory statement submitted with the notice. Apart from the three objectors, a number of other shareholders were present in the meeting held for the purpose. None of the said shareholders, nor any of the secured and unsecured creditors who had attended the meetings raised any such objection either in the meetings held for the purpose in terms of the order of this Court nor any such objection has been raised before this Court by any other shareholders, or secured or unsecured creditors. It could not be established by any of the three objectors that the effect of the scheme of arrangement would vary in the case of the Directors from that of the other shareholders. The Directors under the scheme of arrangement would be receiving the same shareholdings as would be received/receivable by the other shareholders which is also specifically stated and accepted by the petitioners. It is also a settled position of law that the explanatory statement as required under section 173 with notice to members of a special resolution is quite different from the statement which is required under section 393(1)(a). In the decisions of Tata Oil Mills Co.

Ltd. and Hindustan Lever Ltd. Reported in (1994) 3 Comp Cases 46, the Bombay High Court has held that section 393(1)(a) does not require disclosure of all the material facts, it only requires explanation of the material interests involved. I also cannot accept the contention that there is no attempt to disclose the shareholdings of the Directors as their shareholding is reflected in the register of members maintained at the registered office of the company. It is also brought out on record that a promoter's shareholding is also published quarterly in the newspapers and such disclosures are also made on quarterly basis to all the stock exchanges where the company's shares are listed. The objectors have failed to prove that any material interest involved is not reflected in the explanatory statement appended to the notice. The court would accept the bona fides of the explanatory statements appended to the notice and would not investigate into such bona fides until and unless it could be shown by the objectors that there is a fraudulent intention involved in not disclosing the material interest. In United Bank of India Ltd. v. United India Credit & Development Co. Ltd. Reported in (1997) 47 Com. Cases 689, the Calcutta High Court has held that unless and until it could be shown that the shareholders have been misled by the statements made in the explanatory statement or any objection raised regarding the notice by any of the shareholders, the court would not accept a contention that the explanatory statements were misleading or insufficient. The ratio of the aforesaid decision was approved by the Bombay High Court in the decisions in Tata Oil Mills Co. Ltd. and Hindustan Lever Ltd. (supra). In my considered opinion the explanatory statements appended to the notice cannot be said to be misleading or insufficient. Except for the three objectors, none of the other shareholders and secured and unsecured creditors has made any such allegations or any objections regarding such statements made. The objectors although have raised such objections, but they have also failed to prove and establish that the material interests involved have not been disclosed in the aforesaid statements. In this connection reference may also be made to the decision of the Supreme Court in Hindustan Lever Employees' Union v. Hindustan Lever Ltd. reported in (1995) 83 Com Cases 30, wherein it was held thus:-

"where considering the overwhelming manner in which the Shareholders, the creditors, the debenture holders, the financial institutions, had Supported the scheme and had not complained about any lack of notice or lack of understanding of what the scheme was about, it would not be right to hold that the explanatory statement was not proper or was lacking in material particulars".

In my considered opinion the aforesaid ratio of the said decision of the Supreme Court is squarely applicable to the facts of the present case.

Similar objections as have been raised in this case were also raised before the Bombay High Court in the case of Tata Oil Mills Co. Ltd. and Hindustan Lever Ltd. (supra) which were negated by the said court. The following observation made by the Court in the said decisions is apposite and accordingly the same is extracted:-

"13. (iii) It was further submitted on behalf of Mr. Hazari that explanatory statement was very cryptic and that this ground alone was sufficient to nullify the meeting. In my view the explanatory statement as required under section 172 is quite different than the explanatory statement which is required under section 393(1)(a) of the Act. Mridul J, as he then was, has in the matter of Khandelwal Udyog Ltd. And Acme Mfg. Ltd., in re (1997) 47 Comp Cas 503 (Bom), inter alia, held that section 393(1)(a) does not ordain disclosure of all material facts. Clause (a) not only enumerates the categories of particulars, but it deliberately makes a departure by omitting any reference to material facts. It was further held that the Legislature having used a different phraseology in the said two provisions, it must be held that the legislative intent under the said section 393 was not to provide for disclosure of all material facts. Similar view is taken by learned single judge of the Calcutta High court in the matter of United Bank of India Ltd. v. United India Credit and Development Co. Ltd. (1997) 47 Comp Cas 689 (Cal)."

In All India Blue Star Employees Federation v. Blue Star Ltd., reported in (2000) 27 SCL, 265, the Division Bench of the Bombay High Court has held that there is no obligation on the part of the company to disclose such shareholding of each individual director as can be discovered from the register of members. No such grievance could be made and, therefore, the objections raised by the objectors in that regard in the present case also stand negated even according to the ratio of the aforesaid decision. The Gujarat High court also in the decision of Alembic Ltd. v. Dipak Kumar, reported in 41 SCL 2003 (Guj) 145, has held as follows:-

"It appears from a perusal of the aforesaid provision that the material interest of the directors/managing director/manager of the company would be required to be given whether such material interests in their capacity as directors or as shareholders of the company or otherwise and in a given case even in their capacity as shareholders in another company which holds the shares in the applicant-company, but such disclosure is to be made when the effect of the proposed compromise and arrangement on those material interest is different from the effect on the like interests of other persons. It is not the case of the objector that the effect of the proposed scheme on the interests of the directors of Alembic Ltd. in their capacity as shareholders in other closely held companies having shares in Alembic Ltd. is going to be different from the effect on the like interests of the other shareholders either in Alembic Ltd. or in Darshak Ltd. In this view of the matter, the sanction to the scheme is not required to be withheld on the ground that the disclosure in the notice convening the meeting fell short of the requirement of section 393(1)(a) of the companies Act, 1956."

Accordingly, the aforesaid objection raised about the non-disclosure of material interest stands rejected.

Objections were also raised with regard to the manner and mode of holding the meetings, as also the resolutions adopted in the aforesaid meetings. According to the objectors, the meeting of the shareholders convened is no meeting at all in the eye of law. The aforesaid objection has been considered by me and in order to appreciate the same I have also carefully perused the reports submitted by the Chairperson and the Alternate Chairperson who were appointed by order dated February 3, 2003. Along with their reports they have also Submitted certain documents which were also perused by me while appreciating the aforesaid objections raised by the objectors. It is disclosed therefrom that a notice containing a copy of the scheme of arrangement, explanatory statement and proxy from duly approved by the registry of this Court and the details of the Chairperson appointed by this Court for the meetings was served by way of U.P.C. upon each of the shareholders, secured creditors and unsecured creditors of the companies. Notices of the meetings were also published in two newspapers of February 28, 2003. The reports of the Chairperson containing an affidavit prove and establish the aforesaid facts. One of the objections raised is that only half an hour time was given for the meeting of the shareholders which was inadequate in view of the capacity of the hall and the attendance. The timings of the three meetings were fixed by this Court in the order dated February 3, 2003. While fixing the time schedule of the aforesaid three meetings, this Court considered all the factors and thereafter fixed the schedule of timings of the three meetings and, therefore, no such objections could be raised by the objectors alleging that time given for the meeting was inadequate. Section 391(2) requires the scheme to be passed by 3/4 of the Value of the creditors or the class of creditors, present and voting in person or through proxy at the meeting. In the present case, 151 shareholders of the company were present and the scheme has been unanimously approved by 99.99% of the shareholders present and voting. The three objectors who have raised objections along with two others did not approve the scheme of arrangement. In that view of the matter, the capacity of the hall and attendance has no relevance, and relation for considering and approving the scheme of arrangement. It was also sought to be contended by the objectors that the amendment sought to be introduced and raised by Rupan Khosla was not allowed to be raised by the Chairperson of the meeting. In this connection reference can be made to the report of the Chairperson who has stated in his report in the following manner:-

"In the midst of voting on the resolution, a member, who introduced himself as Mr. Rupan Khosla, requested the Chairman that he wanted to raise a point of order to amend the resolution by his modification. As Mr. Khosla insisted upon reading a few lines of his text, the Chairman allowed him to read the proposed text/modification. Some papers delivered prior to meeting, on the day of voting and after voting received from Mr. Rupan Khosla along with other papers received from one Mrs. Manju Dalmia and Mr. Pawan Dalmia are attached herewith a "Documents received from Mr. Rupan Khosla, Ms. Manju Dalmia and Mr. Pawan Dalmia". However, since voting on the Resolution had already Commenced and some members had voted, there was no proposal for the said proposed modification as contained in Mr. Rupan Khosla's letter dated March 24, 2003 (Annexure 'Z' Colly) nor same was seconded. The motion raised by Mr. Rupan Khosla was not proper, hence it was invalidated. However, in the opinion of the Chairman and the alternate chairman, members who wanted to mention about said proposed modification were allowed to do so and same is brought to the notice of this Hon'ble Court."

It is, thus, established therefrom that no amendment or modification seeking to amend the resolution was circulated in advance as required under the provisions of the Companies Act. A reference to the provisions of section 188(2) of the Companies Act would disclose the eligibility criteria of the member and the requirement to circulate a resolution and to make a request for the aforesaid purpose. In the present case, the aforesaid requirement was not complied with and fulfilled. Even otherwise it is indicated from the report of the Chairperson that opportunity was given to all the members who wanted to consider the said proposed modification but except for the three objectors the same did not receive any approval from any other shareholders. Therefore, it is established that although no amendment or modification seeking to amend the resolution was circulated in advance, yet the shareholders had the benefit to consider the same but did not approve of and rejected the said modification/ amendment. The Chairperson was also satisfied that the amendment raised by Rupan Khosla was not only not proper but was also satisfied to the extent that the same would alter the basic structure of the scheme. Even in spite of the aforesaid satisfaction the Chairperson allowed the members who wanted to vote on the proposed amendment, but the said amendment was not approved by the shareholders present and voting, and the said amendment stood defeated by the house itself which is apparent from the percentage of voting as 99.99% of the members present and voting rejected the aforesaid amendment and approved the scheme of arrangement as proposed. It is also established that the aforesaid amendment proposed by Mr. Rupan Khosla was not seconded by any other shareholder. The aforesaid position is approved by the report of the Chairperson. Paragraph 14.6 of the Company Secretary Practice Manual, Vol. II, states as follows :-

"The Act or Table A of Schedule I do not provide for proposing and the seconding of a motion or proposal or a resolution moved at a meeting. It is, however, customary at company meeting to formally propose and second a motion so as to be put to vote. When a motion is proposed and seconded, it leads to a debate and voting. To propose means to offer or put forward for consideration and to second means to express formal support to (a motion, proposal, etc.), as a necessary preliminary to further discussion or to voting. Seconder is a person who expresses formal support of a motion so that it may be discussed or put to a vote."

In Tata Oil Co. Ltd. and Hindustan Levers Ltd. (supra), the Court observed as follows:-

“.....Mr. Hazari had proposed a resolution by way of an amendment.....In my opinion, first of all Mr. Hazari had not got circulated any draft amendment earlier for being considered. Secondly, the same was definitely beyond the scope of the meeting.”

Even assuming that there was a minor irregularity in that regard, yet the resolution proposed by the company was passed by an overwhelming majority representing 99.99% in value of the equity shareholders. It is also worth mentioning that the five dissenting members also cast their votes on the said resolution but unfortunately they were the only dissenting members, whose holding amounted to only 0.1171% of the total value of the shareholding of the company.

Another objection that was raised was with regard to the appointment of scrutinizers. It was contended that both the scrutinizers are the employees of the company which violated the provisions of section 184 of the Companies Act. The said provision contemplates that one of the two scrutinizers appointed by the Chairperson should be the member and not an officer or an employee of the company present at the meeting. In the present case, Mr. K. Radhakrishnan was appointed as one of the scrutinizers and he is the Company Secretary of the company. Mr. D.C. Kottiyan was appointed as the other scrutinizer by the Chairperson. It is pointed out by the company that D.C. Kottiyan is not an employee of any of the three companies. The said position is also proved and admitted that he is a contractor/consultant. He was present in the said meeting not as an employee of the company but as a member. When the Chairperson was satisfied that he was not an employee of the company and thereafter was appointed as one of the scrutinizers, no objection can be raised against his appointment as a scrutinizer. In the present case there is no violation of the provision of section 184 of the Companies Act.

The next allegation raised is that no debate and discussion took place during the course of meeting of the shareholders. The Chairperson has submitted a detailed report with regard to the conduct and the manner in which the meeting was held. On perusal of the same it is apparent and established that the Chairperson followed the due process and procedure of law. The Chairperson called the meeting in order. Thereafter the Chairperson gave the welcome address wherein he stated that the scheme of arrangement is accepted as already read in view of the fact that a copy of the scheme of arrangement was sent and individually served on each of the equity shareholders along with the notice. As directed by the Chairperson, the notice convening the meeting was read and thereafter the scrutinizers were appointed by the Chairperson. The Chairperson declared the poll timings and ordered that voting on the resolution would be by poll and put the resolution for vote. Mr. Rupan Khosla proposed the amendment which was allowed to be read as is indicated from the minutes of the meeting. The same was considered by the Chairperson and he gave a ruling on the same which is also disclosed from the minutes of the meeting and it is, therefore, apparent and established that there was effective deliberation on the aforesaid proposed amendment propounded by Mr. Rupan Khosla and the same was effectively considered by the members. The aforesaid allegation, therefore, is also without any merit.

It was also sought to be contended that the objector or his proxy was not allowed entry into the hall for the meeting. The said contention is apparently misleading on the face of the records. Mr. Rupan Khosla, in his capacity as a shareholder of the company and as proxy of Mr. Pawan Kumar Dalmia's wife, was present in the meeting. Mr. Pawan Kumar Dalmia himself was also present in person as also Ms. Bindu Khosla was also present. The said allegation is baseless on the face of it.

An objection was also raised challenging the validity of the meeting on the ground that the resolution of the meeting was not announced by the Chairperson. In this connection reference may be made to the provision of Rule 78 of the Companies Court Rules which provides the procedure as to how the Chairperson of the meeting is to submit his report. In my considered opinion, the report which was submitted by the Chairperson the present case satisfies the requirement and the mandate of section 78 of the Rules. It was also sought to be submitted that no notice convening the meeting was received by the three objectors who are shareholders. The very fact that they were present in the meeting, or were represented by proxy indicates that they had notice of the meeting. Rather they actively participated in the said meeting. The said objection has also no basis at all.

Objection is also taken to the holding of the meetings on the ground that the meeting procedure was not explained by the Chairperson. Report of the Chairperson, which is on record, clearly establishes that the Chairperson duly apprised the members present about the purpose of the meeting and explained to them the manner and the procedure of the meeting and its purpose and how the polling has to be done. Except for the three objectors none of the shareholders who were present and voting in favour of the resolution has taken up a stand in support of the allegations raised by the objectors herein. The resolution was passed by a majority of shareholders present and voting, the value of which was 99.99%. The objection with regard to manner and mode of holding the meetings is without any merit and rejected. All the allegations in that regard are found to be baseless.

It was also contended that the company did not comply with the provisions of section 293(1)(a) of the Companies Act. I have given my anxious consideration to the aforesaid submission. I am, however, constrained to hold that the provision of section

293(1) is not applicable to the facts and circumstances of the present case. Section 391 to 394 of the Companies Act is a complete code in itself and, therefore, there is no requirement to comply with the provisions of section 293(1)(a). In PMP Auto Industries Ltd. and S.S. Miranda Ltd. (1994) 80 Comp. Cases 289, it was held that once a scheme of arrangement falls squarely within the ambit of aforesaid sections, namely, sections 391 to 394, the same could be sanctioned even if it involves doing acts for which procedure is specified in other sections of the Companies Act.

Objectors also raised an objection with regard to the transfer of the R&D Division. The said R&D Division was transferred in the year 1996. The same, therefore, has no relevance to the present scheme of arrangement and the aforesaid objection is found, therefore, to be not relevant to the present scheme.

Objections have been raised to the scheme of arrangement on the ground that the valuation report is unfair and biased. Even the Regional Director has also raised an objection that the valuation report does not disclose the basis of calculations for arriving at the share exchange ratio. The aforesaid Objection, therefore, requires consideration by this Court. I have given an indepth consideration to the said allegation. The valuation of the business in the present case has been jointly done by reputed valuers like M/s. Pricewaterhouse Coopers Pvt. Ltd. and Bansi S. Mehta & Co. The aforesaid valuation report has been adopted by the Board of the companies and passed by the overwhelming majority of the shareholders. In Miheer H. Mafatlal v. Mafatlal Industries Ltd. (1996) 87 Comp. Cases 792, the Supreme Court has held that if share exchange ratio is fixed by Chartered Accountant upon consideration of various factors and approved by majority of shareholders in a meeting, the Court will not disturb the ratio. The aforesaid decision was considered by this Court in Chaturan Industries Ltd. v. Sulabh Leafin (P) Ltd. and others, (1998) 5 Comp. LJ 444. In the said case this Court referred to the aforesaid decision of the Supreme Court and in paragraph 15 it held thus:-

“15. It is admitted in the present case that the valuation of the shares in the present case was done by a recognized firm of chartered accountants of repute. It is also reported by the chartered accountants that while determining the exchange ratio in the present case, he has followed not only the book value method but also profitability and earning per share. The aforementioned method of valuation of shares is recognized as a proper mode of valuation., it is not for the court either to substitute the exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies, or to say that the shareholders in their collective wisdom could not have accepted the said exchange ratio on the ground that it would be detrimental to their interest.”

In Hindustan Lever Employees Union's case (supra), the Supreme Court observed thus :-

“The valuation of shares is a technical matter, it requires considerable skill and experience. There are bound to be differences of opinion among accountants as to what is the correct value of the shares of a company, it was emphasized that more than 99% of the shareholders had approved the valuation. The test of fairness of this valuation is not whether the offer is fair to a particular shareholder..... who may have reasons of his own for not agreeing to the valuation of the shares, but the overwhelming majority of the shareholders have approved of the valuation. The Court should not interfere with such valuation.

XX XX XX

In the absence of it being shown to be vitiated by fraud and malafide, the mere fact that the determination done by slightly different method might have resulted in different conclusion would not justify interference of Court.”

It is also settled position of law that once the exchange ratio of the shares of the transferee company to be allotted to the shareholders of the transferor company has been worked out by a recognised firm of chartered accountants who are experts in the field of valuation and if no mistake can be pointed out in the said valuation, it is not for the court to substitute its exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies. The aforesaid ratio was also accepted by this Court in Jindal (India Pvt. Ltd. v. Cold Rollings India Pvt. Ltd. (1998) 1 Comp. L.J. 36.

In Hindustan Lever Employees Union's case (supra) it was again held by the Supreme Court that the jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy, if the determination satisfied the arithmetical test. It was further held that a Company Court does not exercise an appellate jurisdiction. In the said decision it was held as follows:-

“The Court's obligation is to be satisfied that valuation was in accordance with law and it was carried out by an Independent body. The High Court appears to be correct in its approach that this test was satisfied even though the chartered accountant who performed this function was a director of TOMCO, but he did so as a member of renowned firm of chartered accountants. His determination was further got checked and approved by two other independent bodies at

the instance of shareholders of TOMCO by the High Court and it has been found that the determination did not suffer from any infirmity. The Company Court, therefore, did not commit any error in refusing to interfere with it. May be as argued by the learned counsel for the petitioner that if some other method would have been adopted, probably the determination of valuation could have been a bit more in favour of the shareholders. But since admittedly more than 95% of the shareholders who are the best judge of their interest and are better conversant with market trend agreed to the valuation determined, it could not be interfered by Court as, certainly it is not part of the judicial process to examine entrepreneurial activities to ferret out flaws."

The aforesaid ratio of the decision of the Supreme Court is squarely applicable to the facts of the present case and on that count the objection raised by the objectors as also by the Regional Director cannot be entertained, and rather required to be rejected which I hereby do.

Mr. Rupan Khosla appearing in person also made an objection to the scheme of arrangement on the ground that the company is siphoning of the profitable business. He also referred to the interview in C.N.B.C. on December 19, 2002. So far the said interview is concerned, it is only to be noted that different interviewer may have different opinion with regard to the scheme. It is also not understood as to whether or not the interviewer had studied and understood the scheme properly. The opinion of the interviewer, in my considered opinion, cannot be given due weightage in considering the question of grant of sanction to the scheme of arrangement. It is the shareholders' company and, therefore, the views of the shareholders is paramount and not that of the interviewer. Since in the present case the overwhelming majority of the shareholders has approved the scheme, the same cannot override the opinion of the interviewer. The allegation of the objector that there is an effort to siphoning of the profitable business of the company in which case the minority shareholder would be deprived of the benefit is also considered by me giving due weightage thereto. No basis is provided in support of the aforesaid allegation. There is increase in the profit of the Company and as a matter of fact there is almost 100% increase in revenue of the software business of the company. The revenue of the company without the software business has also increased from Rs.336 crores in the financial year ending March 31, 2002 to Rs.2,729 crores in the year ending March 31, 2003. Therefore, the aforesaid contention is also without any merit.

In the light of the aforesaid discussions, the objections that are raised as against the grant or sanction to the scheme of arrangement are found to be without merit and are dismissed. Accordingly, I am of the considered opinion that the scheme if approved would be beneficial to all concerned, and as such the scheme approved by the members stands confirmed. Sanction is hereby granted to the aforementioned scheme of arrangement. Petitions stand disposed of in the above terms along with all the pending applications.

— Sd —

(Dr. Mukundakam Sharma)
Judge

July 8th, 2003
Pcj

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

COMPANY PETITION NO. 140/2003
CONNECTED WITH
COMPANY APPLICATION No. (M) 21/2003
IN THE MATTER OF M/S. HCL Infosystems Ltd.
having its Regd. Office at
806-808, Siddharth, 96, Nehru Place
New Delhi-110019

....Petitioner
Demerged Company

AND

COMPANY PETITION No. 141/2003
CONNECTED WITH
COMPANY APPLICATION NO. (M) 22/2003
IN THE MATTER OF M/S. HCL Infinet Ltd.
having its Regd. Office at
806-808, Siddharth, 96, Nehru Place
New Delhi-110019

....Petitioner
Transferee Company

AND

COMPANY PETITION NO. 142/2003
CONNECTED WITH
COMPANY APPLICATION No. (M) 23/2003
IN THE MATTER OF M/S. HCL Technologies Ltd.
having its Regd. Office at
806-808, Siddharth, 96, Nehru Place
New Delhi-110019

....Petitioner
Resulting Company

BEFORE HON'BLE OR, JUSTICE MUKUNDAKAM SHARMA
DATED THIS 8TH DAY OF JULY, 2003

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petitions coming up for hearing on 8.7.2003 for sanction of the scheme of Arrangement proposed to be made between M/s. HCL Infosystems Ltd. hereinafter referred to as the Demerged Co.), M/s. HCL Technologies Ltd., (hereinafter referred to as the resulting Company) and M/s. HCL Infinet Ltd. (hereinafter referred to as the Transferee Company), upon reading the said petitions, the orders, dated 3.2.2003 whereby the above said demerged company, resulting company and transferee company were ordered to convene a meeting of their respective shareholders, secured and unsecured creditors to whom the debt owned is above Rs. 10,00,000/- for the purpose of considering, and if thought fit, approving, with or without modification, the scheme of Arrangement annexed to the affidavits of Sh. K.R. Radhikrishanan, company secretary of demerged company, Sh. Suman Ghose Hazra, Director of the transferee company and Mr. Allwyn Noronha, company secretary of the resulting company filed on the 24th day of January, 2003 and the publication in the Newspapers namely (1) The Statesman (English) (2) Veer Arjun (Hindi) both dated 28.2.2003 each containing the advertisement of the notice convening the said meetings directed to be held by the said order dt. 3.2.2003, the affidavits of Sh. Ravi Kant Chaddha, Advocate, Sh. B.K. Sood, Advocate and Sh. H.P. Singh, Adv., filed on 17.3.2003 & 22.3.2003 showing the publication and despatch of the notices convening the said meetings, the reports of Chairmen of the said meetings as to the result of the said meetings and upon hearing Sh. Vaidaynathan, Sr. Adv., with Mr. C. Mokhopadhyay Mr. Ajoy K. Roy and Mr. Nishant K. Singh, Advocates for the

petitioner, Ms. Shellka Arora, advocate for Ms. Bindu Khosla, Objector, Mr. Pawan Kr. Dalmia, objector in person, Mr. Rupan Khosla, objector in person, Mr. Dinesh Chand, Deputy Registrar, Registrar of Companies for Regional Director, Deptt. of Company Affairs, Kanpur and it appearing from the reports that the proposed scheme of arrangement has been approved and adopted without any modification by the said shareholders and creditors of the demerged company, resulting company and transferee company present and voting either in person or by proxy and upon reading the affidavits dated 21.5.2003 of Sh. U.C. Nahta, Regional Director, Northern Region, Department of Company Affairs, Kanpur on behalf of Central Government and the objection raised by Regional Director in its affidavits and also by the objectors against the grant of sanction to the scheme of arrangement having been dismissed by the court, there being no investigation proceedings pending in relation to the petitioner Companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT

set forth in Schedule-I annexed hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the demerged company, resulting company and transferee company and all concerned and doth approve the said scheme of arrangement from the appointed dt. i.e. 1.1.2003.

AND THIS COURT DOTH FURTHER ORDER :

1. That all the property, rights and powers of the software service business and the Office Automation and telecommunication division of the demerged company specified in the First, Second and Third parts of the schedule-II hereto and all other property, right and the power of the software service business and the Office Automation and Telecommunication Division of the demerged company be transferred without further act of deed to the resulting company and transferee company respectively and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in resulting company and the transferee company respectively for all the estate and interest of the demerged company therein but subject nevertheless to all changes now affecting the same; and
2. That all the liabilities and duties of the software service business and the office automation and telecommunication division of the demerged company be transferred without further act or deed to the resulting company and the transferee company respectively and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the resulting company and the transferee company respectively; and
3. That all the proceedings now pending by or against the demerged company and relating to the software service business and the office automation and Telecommunication division be continued by or against resulting company and the transferee company respectively as specified in the said scheme of arrangement; and
4. That the resulting company do without further application allot to such members of the demerged company as is required by Clause 20 given in the scheme or arrangement herein the shares in the resulting company to which they are entitled under the said arrangement. The transferee company a wholly owned subsidiary company of the demerged company shall comply with clause 36 of the said scheme of arrangement;
5. That the demerged company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration.

SCHEDULE – 1

SCHEME OF ARRANGEMENT

BETWEEN

HCL INFOSYSTEMS LIMITED	...	DEMERGED COMPANY
HCL TECHNOLOGIES LIMITED	...	RESULTING COMPANY
HCL INFINET LIMITED	...	TRANSFeree COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I – GENERAL

1. The Demerged Company is primarily engaged in the business of information technology, facilities and network management, network consulting, call-centre consulting, software services, and providing hardware equipments, office automation and telecommunication equipments through its various divisions through its various subsidiaries worldwide.
2. The Resulting Company is primarily engaged in providing to customers in India and worldwide, technology and software services through a network of sales and project management offices in various countries including India.
3. The Transferee Company is a wholly owned subsidiary of the Demerged Company and is primarily engaged in the business of providing value added internet business services and solutions, hardware, software, support and consulting services.
4. This composite scheme of arrangement (hereinafter referred to as the “**Scheme**”) provides for;
 - (a) the demerger of Demerged Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company; and
 - (b) the transfer of the Transferred Undertaking of the Demerged Company to the Transferee Company for such consideration and in such manner as provided herein.

Pursuant to Sections 391 to 394 and other relevant provisions of the Act in the manner provided for herein.

5. The Scheme is divided into the following parts:
 - (a) Part I, which deals with the introduction and definitions;
 - (b) Part II, which deals with the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company;
 - (c) Part III, which deals with the transfer of the Transferred Undertaking of the Demerged Company to the Transferee Company; and
 - (d) Part IV, which deals with the general terms and conditions that would be applicable to both Part II and Part III of the Scheme.
6. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
7. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

“**Act**” means the Companies Act, 1956 or any statutory modification or re-enactment thereof;

“**Appointed Date**” means January 1, 2003;

“**Demerged Company**” means HCL Infosystems Limited, a company incorporated under the Act and having its registered office at 806-808, 96, Nehru Place, New Delhi;

“**Demerged Undertaking**” means the software services business of the Demerged Company (including the software technology park units whether in India or otherwise), on a going concern basis, and which shall include (without limitation):

- (a) all the property of or required for the software services business wherever situated, whether movable or immovable, tangible or intangible, including all lands, plant and machinery, buildings and structures, warehouses, offices, residential and other premises, vehicles, capital work in progress, furniture, fixtures, office equipment, appliances, accessories;

-
- (b) deposits, stocks, assets, sundry debtors, inventories, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates and in particular investments made directly or indirectly in overseas subsidiaries), cash and bank accounts (including balances with banks), bills of exchange, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights) and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights (including rights under any agreements, or customer contracts, or other contracts or agreements), entitlements, contracts, licenses (including in relation to software technology park units), municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits and privileges under the Income Tax Act, 1961 and entitlements) and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Undertaking;
- (c) all trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Demerged Undertaking and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Undertaking, whether in India or abroad;
- (d) all earnest moneys and/or security deposits paid by the Demerged Company in connection or relating to the Demerged Undertaking; and
- (e) present and future liabilities (including contingent liabilities and the Transferred Liabilities) and other liabilities (other than those referred to in Clause 12(c) of this Scheme) relating to the Demerged Undertaking.

"Effective Date" or **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** means the last of the dates on which all the orders, approvals, consents, conditions, matters or filings referred to in Clause 46 hereof have been obtained or fulfilled;

"Resulting Company" means HCL Technologies Limited incorporated under the Companies Act, 1956, and having its registered office at 806-808, Siddharth, 96, Nehru Place, New Delhi-110019;

"Record Date" shall have the meaning ascribed to it in Clause 20 hereof;

"Remaining Business" means all the business and the divisions of the Demerged Company other than the Demerged Undertaking and the Transferred Undertaking;

"Scheme" means this composite Scheme of Arrangement;

"Transferred Liabilities" shall have the meaning ascribed to it in Clause 17 (a) hereof;

"Transferee Company" means HCL Infinet Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 806-808, Siddharth, 96, Nehru Place, New Delhi-110019 and a wholly owned subsidiary of the Demerged Company; and

"Transferred Undertaking" means the office automation and the telecommunication division of the Demerged Company, on a going concern basis, which shall mean and include without limitation

- (a) all the property of or required for the office automation and telecommunication division, wherever situated, whether movable or immovable, tangible or intangible, including plant and machinery, buildings and structures, offices (including marketing and liason offices), residential and other premises, capital work in progress, furniture, fixtures, office equipment, appliances, accessories;
- (b) all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stock, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights) and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses (industrial and otherwise), municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits and entitlements) and advantages

of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferred Undertaking;

- (c) all trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Transferred Undertaking and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferred Undertaking whether in India or abroad;
- (d) all earnest moneys and/or security deposits paid by the Demerged Company in connection or relating to the Transferred Undertaking; and
- (e) present and future liabilities (including contingent liabilities) and other liabilities relating to the Transferred Undertaking.

8. (a) The share capital of the Demerged Company as of December 31, 2002 is as under:

Authorised	(Rupees in Lacs)
8,00,00,000 equity shares of Rs. 10/- each	8,000.00
5,00,000 preference shares of Rs. 100/- each	500.00
	8,500.00
Issued, Subscribed and Paid Up	
3,19,09,459 equity shares of Rs 10/- each fully paid up	3190.95
Add: Shares forfeited	0.01
	3190.96

- (b) The share capital of the Resulting Company as of December 31, 2002 is as under:

Authorised	(Rupees in Lacs)
350,000,000 Equity Shares of Rs. 2/- each	7,000.00
	7,000.00
Issued, Subscribed and Paid-up	
288,332,312 Equity Shares of Rs. 2/- each, fully paid up	5,766.65
	5,766.65

- (c) The share capital of the Transferee Company as of December 31, 2002 is as under:

Authorised	(Rupees in Lacs)
20,000,000 equity shares of Rs. 10/- each	2,000.00
	2,000.00
Issued, Subscribed and Paid Up	
19,506,757 equity shares of Rs. 10/- each	1,950.68
	1,950.68

PART II – DEMERGER

SECTION 1 – TRANSFER AND VESTING

9. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking (including all the estate, assets, rights, title, interest and authorities

including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Resulting Company subject to Section 2 of Part II of the Scheme in relation to the charges thereon in favour of banks and/or financial institutions

- (b) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall stand transferred by the Demerged Company without requiring any deed or instrument of conveyance or transfer of the same, and shall, upon such transfer become the property of the Resulting Company as an integral part of the Demerged Undertaking.
 - (c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in the Resulting Company and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 394 (2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.
 - (d) All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon the coming into effect of the Scheme.
10. (a) Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- (b) Without prejudice to the other provisions of the Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of Part II of the Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above.
 - (c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities given by, issued to or executed in favour of the Demerged Company shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.
 - (d) It is hereby clarified that if any asset (including any estates, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset, contract, deed, bond, agreement, scheme, arrangement, or other instrument of whatsoever nature in trust for the benefit of the Resulting Company.
11. All the assets and liabilities of the Demerged Undertaking shall be transferred at the values appearing in the books of the Demerged Company immediately before the demerger which are set forth in the closing balance sheet relating to the Demerged Undertaking as of December 31, 2002.
12. (a) It is clarified that, upon the coming into effect of the Scheme, the general or multipurpose borrowings and liabilities of the Demerged Company the amount of which in the aggregate stands in the same proportion which the value

of the assets of the Demerged Undertaking (being the fixed assets, gross current assets) transferred to the Resulting Company bears to the assets of the Demerged Company on the Appointed Date shall, without any further act or deed be and stand transferred to the Resulting Company, and shall become the liabilities and obligations of the Resulting Company which shall undertake to meet, discharge and satisfy the same. The amount of the general or multipurpose borrowings and liabilities which are transferred on this basis are more particularly specified in **Schedule I** hereto.

- (b) Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
 - (c) Any claims, liabilities or demands arising out of the activities or operations of the Demerged Undertaking which relate to the period prior to the Appointed Date but arise at any time including after the Effective Date shall be entirely borne by the Demerged Company. In the event that such liability is incurred by or such claim or demand is made upon the Resulting Company, then the Demerged Company shall indemnify the Resulting Company for any payments made in relation to the same.
13. (a) Upon the coming into effect of the Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time in the future and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date, save and except as provided in Clause 12(c) of this Scheme. In the event that the legal proceedings referred to herein require both the Demerged Company and the Resulting Company to be parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. The Demerged Company and the Resulting Company shall agree on the list of such proceedings that pertain to the Demerged Undertaking.
- (b) If proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause (a) above and pertaining to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- (c) The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.
14. With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking, including the rights and interest in any documents specified in Clause 10 hereof, for and on account of, and in trust for, the Resulting Company; and
- (b) all profits accruing to the Demerged Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Demerged Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Resulting Company.
15. (a) The Resulting Company undertakes to engage, on and from the Effective Date, such employees of the Demerged Company (including such employees engaged by the Demerged Company in the ordinary course of business) engaged in the Demerged Undertaking and who are in the employment of the Demerged Company as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company, with continuity of service. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company in respect of the Demerged Undertaking with any union/ employee of the Demerged Company in relation to the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

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- (b) In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its employees (including employees of the Demerged Undertaking) are concerned, the existing trusts created by the Demerged Company and the funds that are referable to the employees of the Demerged Undertaking shall be transferred to the Resulting Company, and the Resulting Company shall continue to contribute to such trusts in accordance with the provisions thereof, and such trusts shall be held for the benefit of the employees transferred to the Resulting Company.
16. The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking under Clause 9 and the continuance of the proceedings by or against the Resulting Company under Clause 13 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on and after the Appointed Date to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

SECTION 2 – LIABILITIES

LOANS, DEBENTURES AND RELATED SECURITY

17. (a) In so far as loans, borrowings and debentures of the Demerged Company are concerned, the amounts pertaining to the general or multipurpose loans, debentures and liabilities listed in **Schedule I** which are to be transferred to the Resulting Company in terms of Clause 12 hereof (the “**Transferred Liabilities**”) being a part of the Demerged Undertaking shall, upon coming into effect of the Scheme and subject to sub-clause (b) below, without any further act or deed, become loans and debentures of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans, incurred such borrowings or issued such debentures.
- (b) In so far as the existing security, if any, in respect of the Transferred Liabilities (more particularly set out in **Schedule I**) is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been charged and secured in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to Part II of this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to Part II of this Scheme have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (c) In so far as the assets comprising the Remaining Business are concerned, the security over such assets relating to the Transferred Liabilities shall, without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (d) Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the security and charge over such assets relating to any loans, borrowings or debentures which are not transferred pursuant to Part II of this Scheme, the same shall without any further act or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to any liabilities of the Remaining Business.
- (e) Without prejudice to the provisions of Clause 17(a) or the foregoing clauses, and upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, New Delhi respectively to give formal effect to the above provisions, if required.
- (f) The Demerged Company and/or the Resulting Company shall enter into and execute such further deeds, documents or writings as may be required to give full effect to the above provisions.
- (g) Upon the coming into effect of the Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities.
- (h) It is expressly provided that, save as mentioned in this Clause 17, no other term or condition of the Transferred Liabilities shall be modified except to the extent that such amendment is required by necessary implication or by any agreement entered into with the respective lender.
- (i) The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

SECTION 3 - REORGANISATION OF CAPITAL.

18. The provisions of this Section shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
19. In consideration of the provisions of Part II of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be restructured and reorganised in the manner set out in Clauses 20 to 27 below.
20. Upon the coming into effect of the Scheme and in consideration of the demerger of the Demerged Undertaking to the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members of the Demerged Company on a date (the "**Record Date**") to be fixed in that behalf by the Board of Directors or a committee thereof of the Demerged Company, in the ratio (the "**Share Entitlement Ratio**") of 2 (two) equity shares in the Resulting Company of Rs. 2/- each credited as fully paid-up for every 9 (nine) equity shares of Rs. 10/- each fully paid up held by such member in the Demerged Company.
21. (a) The shares issued pursuant to Clause 20 above shall be issued in dematerialised form by the Resulting Company. Each of the members holding shares in physical form shall have the option, exercisable by notice in writing by them to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee of such Board of Directors, to receive, either in certificate form or in dematerialised form, the shares of the Resulting Company in lieu thereof in accordance with the terms hereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members of the Demerged Company as on the Record Date in certificate form. Those of the members exercising the option to receive the shares in dematerialised form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Resulting Company shall issue and directly credit the demat/dematerialised securities account of such member with the shares of the Transferee Company. It is clarified that each of the members of the Demerged Company holding shares in dematerialised form shall be issued the shares of the Resulting Company in dematerialised form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services Limited on the Record Date.

(b) It is clarified that upon the coming into effect of the Scheme (or such later time as may be determined by the Board of Directors of the Demerged Company and the Resulting Company) the stock options granted by the Demerged Company under its employees' stock options scheme to the employees of the Demerged Undertaking (and that are transferred to the Resulting Company in terms of the Scheme) and which stock options have not yet been exercised and are outstanding (the "**Demerged Company Stock Options**") shall stand cancelled, and such employees that have been transferred to the Resulting Company in terms of the Scheme shall not be entitled to the Demerged Company Stock Options, and the Demerged Company shall take such actions as may be necessary to cancel the Demerged Company Stock Options.
22. In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Resulting Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
23. The equity shares of the Resulting Company issued and allotted in terms of Clause 20 above shall rank pari passu in all respects with the existing equity shares of the Resulting Company.
24. In respect of equity shares of the Demerged Company where calls are in arrears, and such equity shares have not been forfeited by the Demerged Company prior to the coming into effect of the Scheme, without prejudice to any remedies that the Demerged Company or the Resulting Company, as the case may be, shall have in this behalf, the Resulting Company shall not be bound to issue any shares of the Resulting Company (whether partly paid or otherwise) nor to confirm any entitlement to such holder until such time as the calls-in-arrears are paid. In so far as the forfeited shares of the Demerged Company are concerned, no shares shall be issued by the Resulting Company in lieu thereof.
25. Equity shares of the Resulting Company issued in terms of Clause 20 above, shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant Stock Exchange/s in India where the existing equity shares of the Resulting Company are listed and/or admitted to trading.
26. Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and the Board of Directors or any committee thereof of the Resulting Company, allotment of shares in terms of Clause 20 shall be done within 90 days from the Effective Date.

PART III – TRANSFER OF THE TRANSFERRED UNDERTAKING

SECTION 1 – TRANSFER AND VESTING

27. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Transferred Undertaking (including all the estates, assets, rights, properties, obligations, title, interest and authorities including accretions and appurtenances of the Transferred Undertaking) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities of the Transferee Company, subject to the charges thereon in favour of banks and/or financial institutions and trustees for debentureholders as set out in Section 2 of Part III of the Scheme.
- (b) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Transferred Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall stand transferred by the Demerged Company without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking.
- (c) In respect of such of the assets of the Transferred Undertaking other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act.
- (d) All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Transferred Undertaking shall also stand transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date.
28. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- (b) Without prejudice to the other provisions of the Scheme and notwithstanding that the transfer and vesting of the Transferred Undertaking occurs by virtue of Part III this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out and perform all such formalities or compliance referred to above.
- (c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Transferred Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
- (d) It is hereby clarified that if any asset (including any estates, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Transferred Undertaking which the Demerged Company owns or to which the Demerged Company is a party cannot be transferred to the Transferee Company for any reason whatsoever, the Demerged Company shall hold such asset, contract, deed, bond, agreement, scheme, arrangement, or other instrument of whatsoever nature in trust for the benefit of the Transferee Company.
29. (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the liabilities in relation to the Transferred Undertaking shall without any further act or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, liabilities and obligations of the Transferee Company which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company and to keep the Demerged Company indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other

person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this sub-clause.

- (b) All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Transferred Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on such later date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
 - (c) Where any of the liabilities in relation to the Transferred Undertaking have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
30. (a) Upon the coming into effect of the Scheme, all legal or other proceedings (including any proceedings before any statutory or quasi judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future in respect of any matter and in each case relating to the Transferred Undertaking shall be continued and be enforced by or against the Transferee Company after the Effective Date. In the event that the legal proceedings referred to herein require both the Demerged Company and the Transferee Company to be parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. The Demerged Company and the Transferee Company shall agree on the list of such proceedings which pertain to the Transferred Undertaking.
- (b) If proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause (a) above and pertaining to the Transferred Undertaking, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.
 - (c) The Transferee Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to the Transferred Undertaking referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Demerged Company.
31. With effect from the Appointed Date and upto and including the Effective Date:
- (a) the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferred Undertaking and stand possessed of all the estates, assets, rights, title and interest, authorities, contracts, investments and strategic decisions of the Transferred Undertaking including the rights and interest in any documents specified in Clause 28 hereof for and on account of, and in trust for, the Transferee Company; and
 - (b) all profits accruing to the Demerged Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Transferred Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.
32. Any claims, liabilities or demands arising out of the activities or operations of the Transferred Undertaking which relate to the period prior to the Appointed Date but arises at any time including after the Effective Date shall be deemed to be part of the Transferred Undertaking and shall consequently be entirely borne by the Transferee Company. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company, then the Transferee Company shall indemnify the Demerged Company for any payments made in relation to the same.
33. (a) The Transferee Company undertakes to engage, on and from the Appointed Date, such of the employees of the Demerged Company (including such employees engaged by the Demerged Company in the ordinary course of business) as are engaged in the Transferred Undertaking and who are in the employment of the Demerged Company as on the Effective Date. The service of each such employee shall not be affected by such transfer and the terms and conditions of service applicable to each such employee after such transfer shall not be less favourable than those applicable to him immediately before the transfer. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company in respect of the Transferred Undertaking with any union/ employee of the Demerged Company in relation to the Transferred Undertaking. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- (b) In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its staff, workmen and employees (including employees of the Transferred Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall continued to be held by the Demerged Company for the benefit of the employees who are being transferred to the Transferee Company pursuant to this Scheme in the manner provided hereinafter.

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34. The transfer and vesting of the assets, liabilities and obligations of the Transferred Undertaking under Clause 27 and the continuance of the proceedings by or against the Transferee Company under Clause 30 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on and after the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by the Demerged Company as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

SECTION 2 –SECURITY

35. (a) In so far as the existing security, if any, in respect of liabilities of or relatable to the Transferred Undertaking is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprising the Transferred Undertaking which have been charged and secured in respect of such liabilities. Provided that if any assets comprising the Transferred Undertaking which are being transferred to the Transferee Company pursuant to the Scheme have not been charged or secured in respect of such liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets unless otherwise determined by the Board of Directors of the Transferee Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (b) In so far as the assets comprising the Remaining Business are concerned, the security relating to or relatable to the Transferred Undertaking over such assets shall, without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (c) In so far as the assets comprising the Transferred Undertaking which are being transferred to the Transferee Company pursuant to this Scheme are concerned, the security and charge over such assets relating to any loans, borrowing or debentures which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall, without any further act, instrument or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to the Remaining Business. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (d) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained to any deed or writing or terms of sanction or issue or any security documents all of which instruments shall stand modified and/or superseded by this Clause.

SECTION 3 – CONSIDERATION

36. (a) All the assets and liabilities of the Transferred Undertaking shall be transferred at the values appearing in the books of the Demerged Company immediately before the transfer which are set forth in the closing balance sheet relating to the Transferred Undertaking as of December 31, 2002.
- (b) In consideration for the transfer of the Transferred Undertaking and within 90 days of the coming into effect of the Scheme, the Transferee Company shall, without any further act or deed, pay a sum of Rs. 40,34,54,444.31 (Rupees Forty Crores Thirty Four Lakhs Fifty Four Thousand Four Hundred and Forty Four and Thirty One paise only) (the “**Consideration**”) to the Demerged Company. In the event that payment of the Consideration is delayed beyond the aforesaid period, the Demerged Company and the Transferee Company shall mutually agree to the payment of interest at commercially reasonable rates. Payment of such interest shall be made by the Transferee Company along with the payment of the Consideration.

PART IV

The provisions of this Part shall be applicable to both the Demerger pursuant to Part II and the transfer of the Transferred Undertaking pursuant to Part III hereof.

37. (a) The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company subject to Section 2 of Part II and Section 2 of Part III of the Scheme in relation to charges thereon in favour of banks, financial institutions and trustees for the debentureholders.
- (b) All legal, taxation or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company and the Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company.
- (c) With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company:
- (i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf; and

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- (ii) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company.
38. (a) With effect from the date of filing of this Scheme with the High Court of Delhi at New Delhi and upto and including the Effective Date, the Demerged Company, the Resulting Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.
- (b) The holder of equity shares of the Demerged Company, the Resulting Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of any of the Demerged Company and/or the Resulting Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective boards of directors of the Demerged Company, the Resulting Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company, the Resulting Company and the Transferee Company, respectively.
39. With effect from the date of filing of this Scheme with the High Court of Judicature at Delhi, New Delhi and upto and including the Effective Date:
- (a) The Demerged Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Demerged Undertaking or the Transferred Undertaking save and except in each case in the following circumstances:
- (i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court of Judicature at Delhi, New Delhi; or
- (ii) if the same is expressly permitted by this Scheme; or
- (iii) if written consent of the Resulting Company has been obtained.
40. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities of the Demerged Company, the Resulting Company and the Transferee Company, all the assets and liabilities of the Demerged Undertaking and the Transferred Undertaking shall be transferred at the values appearing in the books of accounts of Demerged company immediately before the demerger of the Demerged Undertaking and the transfer of the Transferred Undertaking without any revaluation.
- (b) Upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) an amount representing (A) the aggregate of the surplus of the assets over the liabilities of the Demerged Undertaking and (B) the assets over liabilities of the Transferred Undertaking as reduced by the consideration received from the Transferee Company shall be adjusted against the General Reserves in the books of the Demerged Company; and
- (ii) an amount representing surplus of (A) the assets over (B) the liabilities of the Demerged Undertaking in its books of account, over the aggregate face value of the share capital issued by the Resulting Company shall be credited to the General Reserve in the books of the Resulting Company.
41. (a) Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 293(1)(d) of the Act shall, without any further act, instrument or deed stand enhanced to an amount aggregating to Rs. 250 crores (Rupees Two Hundred and Fifty crores only) in excess of the paid up capital and free reserves of the Resulting Company (apart from temporary loans obtained from the Resulting Company's bankers in the ordinary course of business).
- (b) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act shall, without any further act, instrument or deed stand enhanced to an amount aggregating to Rs. 150 crores (Rupees One hundred and Fifty crores only).
42. (a) The Capital Clause (V) of the Memorandum of Association of the Resulting Company shall, upon the Scheme coming into effect and without any further act or deed, be replaced by the following clause:
- "The Authorised Share Capital of the company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 40,00,00,000 (Forty Crores only) of Rs. 2 (Rupees two) each."
- (b) Clause 5.a of the Articles of Association of the Resulting Company shall, upon the Scheme coming into effect and without any further act or deed, be replaced by the following clause:

"The authorised Share Capital of the company is Rs. 80,00,00,000 (Rupees Eighty Crores only) divided into 40,00,00,000 (Forty Crores only) of Rs. 2 (Rupees two) each with the rights, privileges and conditions attaching thereto as are provided in the Articles of Association of the Company for the time being, the company shall have the power to increase or reduce the capital and to divide the shares in the Capital for the time being into several classes and to attach thereof respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

43. The Demerged Company, the Resulting Company and the Transferee Company with all reasonable despatch, make all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Delhi at New Delhi.
44. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in the Resulting Company as the case may be, and in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company as the case may be, on account of difficulties faced in the transaction period.
45. (a) The Demerged Company, the Resulting Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Boards of Directors or a committee or committees of the concerned Board of Directors or any Director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "**Delegates**") of the Demerged Company, or the Resulting Company or the Transferee Company, as the case may be, deem fit, or which the High Court of Delhi at New Delhi or any other authorities under law may deem fit to approve of or impose. In the event that any of the conditions may be imposed by the Courts and/or other authorities which Demerged Company, or the Resulting Company or the Transferee Company may find unacceptable for any reason, then Demerged Company, or the Resulting Company or the Transferee Company are at liberty to withdraw the Scheme.
- (b) The Demerged Company, or the Resulting Company or the Transferee Company, as the case may be, may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.
- (c) The aforesaid powers of the Demerged Company, the Resulting Company and the Transferee Company may be exercised by the Delegates of the respective Companies.
- (d) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- (e) Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking or the Transferred Undertaking or not shall be decided by the Boards of Directors of the Demerged Company, either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of the Resulting Company or the Transferee Company, as the case may be, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).
46. This Scheme is conditional upon and subject to:
- (a) The Scheme being agreed to by the requisite majority of the members of the Demerged Company, the Resulting Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Delhi at New Delhi referred to in Clause 42 above being obtained;
- (b) Such other sanctions and approvals including sanctions of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required by law in respect of the Scheme being obtained; and
- (c) The certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Delhi.
47. The Demerged Company (through its Board of Directors) and the Resulting Company (through its Board of Directors) shall have the right to waive any of the conditions referred to in Clause 46 above (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.

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48. In the event of this Scheme failing to take effect finally by December 31, 2003 or by such later date as may be agreed by the respective Boards of Directors of the Demerged Company, the Resulting Company, and the Transferee Company this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.
49. In the event of non-fulfillment of any or obligations under the Scheme by any company towards any of the other companies, inter-se or to third parties and non-performance of which will put any of the other companies under any obligation, then such company will indemnify all costs or interest which may be incurred to such other companies.
50. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme. It is clarified that the Demerged Company shall have the right to sever Part II or Part III from this Scheme, and to implement the remaining Parts, as may be applicable, as a complete Scheme to give effect to the Demerger, and the severance of Part II or Part III, as the case may be, shall not affect the validity or implementation of the other parts of this Scheme.
51. All costs, charges and expenses, including any taxes and duties (including stamp duty) in relation to or in connection with this Scheme and incidental to the completion in pursuance of this Scheme shall be borne and paid by the Resulting Company and the Demerged Company in the ratio of 60:40 respectively.

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SCHEDULE I
Allocation of Multipurpose Borrowings

Rs. in crores

	Total as on 31st December 2002	Transferred to Resulting Company
Working Capital Demand Loans	35.00	5.90

SCHEDULE – II

IN THE HIGH COURT OF DELHI AT NEW DELHI

ORIGINAL COMPANY JURISDICTION

COMPANY APPLICATION NO. 21 OF 2003

In the matter of the Companies Act, 1956

In the matter of Sections 391-394 of the Companies Act, 1956

In the matter of Scheme of Arrangement between HCL Infosystems Limited, a Company incorporated under the companies Act, 1956 having its registered office at 806-808, Siddharth, 96, Nehru Place, New Delhi-110 019. HCL Technologies Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 806-808, Siddharth, 96, Nehru Place, New Delhi-110 019, HCL Infinet Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 806-808, Siddharth, 96, Nehru Place, New Delhi-110 019 and their respective shareholders and creditors.

In the matter of the HCL Infosystems Limited, a Company incorporated

under the Companies Act, 1956 and having its registered office at

Applicant/Demerged Company

806-808, Siddharth, 96, Nehru Place, New Delhi-110 019

SCHEDULE

PART – I

1. Short description of the freehold property of the demerged company (HCL Infosystems Limited) being transferred to the Transferee Company (HCL Infinet Limited)

Freehold property bearings office No. 311, having an area of 428 sq. ft. (build up area) equivalent to 39.78 sq. metres or thereabouts on the thirs floor of the building known as “Tulsiani Chambers” consisting of ground and 10 upper floor belonging to Tulsiani Chambers Premises Co-operative Society Limited situate, lying and being at Plot No. 212, Block III, Nariman Point, Mumbai - 400 021.

PART – II

2. Short desription of the leasehold property of the demerged company (HCL Infosystems Limited) being demerged to the Resulting Company (HCL Technologies Limited).

Leasehold flat/flats bearing Module No. 229 admeasuring 125 sq. metre be the same a little more or less situate on the 1st floor in SDF Building in Salt Lake electronics complex, Sector V within the Police Station of Bidhannagar, Sub-Registration Office Bidhannagar in the district of 24 Paraganas (North).

PART – III

1. Short description of all stocks, shares, debentures and other charges in action of the demerged company (HCL Infosystems Limited) being transferred to the Transferee Company (HCL Infinet Limited).

16091352.53 Units of Rs. 10/- each fully paid up of Grindlays Cash Fund

2. Short description of all stocks, shares, debentures and other charges in action of the demerged company (HCL Infosystems Limited) being demerged to the Resulting company (HCL Technologies Limited).

a. 143,000 Nos. of Common Shares of US\$ 10 each in Infosystems (Bermuda) Limited, Bermuda bearing certificate Nos. 1 to 8.

b. 550,000 Nos. of equity shares of S \$1 each in FEC Infosystems Pte Limited. Singapore bearing certificate No. 27.

Indicative list of licence, exemption, certificates and statutory approvals under various applicable laws to be transferred from Demerged Company (HCL Infosystems Limited) to Resulting Company (HCL Technologies Limited).

- a. Approval No: 5(4)/95/71/421 dated 16.3.95 issued by the Director, STPI, Noida.
- b. Approval No: 253 dated 21.11.1997 issued by the Director, STPI, Kolkata.
- c. Approval No: STPB/TMSC/93/655 dated 8.9.93 issued by Director, STPI, Chennai.
- d. Approval No: STP

Dated this the 8th day of July, 2003

(By order of the Court)

S/d

Registrar (Admn. Judl.)

IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY PETITION NO. 268 OF 2006

CONNECTED WITH

COMPANY APPLICATION C.A (M) NO. 151 OF 2006

IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTION 391 AND 394

OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN

MEMO OF PARTIES

HCL Infinet Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi -110019.

PETITIONER COMPANY-I

AND

Microcomp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi -110019.

PETITIONER COMPANY - II

AND

HCL Infosystems Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019.

PETITIONER COMPANY – III

THROUGH

Sd/-

SATWINDER SINGH

Vaish Associates, Advocates

Advocates for the Petitioner

Flat No. 5 - 7,

10, Hailey Road

New Delhi-110001

Phone no. 01142492525

E-mail id : satwinder@vaishlaw.com

PLACE: New Delhi

DATED: 4 November 2006

(COMPANY JURISDICTION)

DATE OF DECISION: 20.03.2007

And

Scheme of Arrangement of :

AND

AND

HCL Infosystems Limited ... Petitioner Company - III

Through: Mr. Rajiv Shakdhar, Senior Advocate
with Mr. Mukul Talwar, Mr. Satwinder
Singh and Ms. Sheenam Parwanda
Advocates for petitioner
Mr. Suresh Kait, Advocate for Regional
Director with Mr. R.D.Kashyap, Dy. ROC.
Ms. Manisha Tyagi Advocate for Official
Liquidator

1. The present petition seeks sanction of Scheme of Arrangement whereby it is proposed that the business of networking and internet related products and services consisting of internet access services, virtual private network, and other connectivity services and sale of related hardware of HCL Infinet Limited (Petitioner Company-I) be vested as a going concern, to and in Microcomp Limited (Petitioner Company-II) and for amalgamation of HCL Infinet Limited (Petitioner Company-I) with HCL Infosystems Ltd. (Petitioner Company-III).
2. The registered offices of the petitioner companies are located in Delhi within the jurisdiction of this Court. In a company application being CA(M) No.151 of 2006 by order dated 12th September, 2006 holding of meetings of the shareholders and the secured creditors of all the petitioner companies and the unsecured creditors of the petitioner companies Nos. II and III were dispensed with.
3. The Petitioner Company-I was, however, directed to convene a separate meeting of its unsecured creditors for approving with or without modifications the proposed Scheme of Arrangement and Shri T.S. Chaudhary was appointed as the Chairperson and Mr. Kamal Mohan Gupta as the alternate Chairman for the meeting of the unsecured creditors of the Petitioner Company-I (HCL Infinet Limited).
4. The HCL Irifinet Ltd. (Petitioner Company-I) was incorporated on 3rd February, 2000 under the name 'HCL e-Commerce Limited' with registration No.55-103599 of 1999-2000. Subsequently, the name of the Petitioner Company-I was changed from HCL e-Commerce Limited to HCL Infinet Limited and a fresh certificate of incorporation was issued on 21st March, 2000. The Petitioner Company-I, HCL Infinet Limited, is a wholly owned subsidiary of Petitioner Company - III, HCL Infosystems Ltd.

5. The Petitioner Company-II, Microcomp Limited, was originally incorporated as a private limited company in the name and style of Microcomp Pvt. Ltd. on 15th September, 1975. Its name was changed to its present name, Microcomp Limited, with effect from 31st January, 1977. Microcomp Limited, Petitioner Company- II, is a wholly owned subsidiary of Petitioner Company-I, HCL Infinet Limited.
6. The HCL Infosystems Limited (Petitioner Company -III) was incorporated on 17th April, 1986 under the Companies Act, 1956 and a certificate for commencing of business was given to it on 29th July, 1986. The name of the company was changed from HCL Limited to HCL Hewlett Packard Limited on 27th December, 1991 and this name was also changed from "HCL Hewlett Packard Limited" to "HCL Infosystems Limited" on 9th September, 1997, The petitioners contended that the Directors of petitioner companies have no material interest in the proposed Scheme of Arrangement/ Amalgamation except to the extent of their shareholding, if any, and no proceedings under Section 235-251 of the Companies Act. 1956 are pending against the companies.
7. As the other meetings of the petitioner companies were dispensed with except the meeting of unsecured creditors of Petitioner Company-I, therefore, individual notices to each of the unsecured creditors having claim of more than Rs.10,000/- were sent in compliance with the order dated 12th September, 2006 together with a copy of the explanatory statement required under Section 393 of the Companies Act, 1956, scheme of arrangement and a form of proxy. The notice of the meeting was also published in the 'Statesmen' and 'Veer Arjun' on 4th October, 2006.
8. The Chairman of the said meeting of unsecured creditors of Petitioner Company-I, Mr. T.S. Chaudhary, has filed an affidavit dated 16th October, 2006 regarding service of notices for convening the meeting of the unsecured creditors of the Petitioner Company-I. Meeting of unsecured creditors of Petitioner Company-I was duly convened on 28th October, 2006. The quorum of the meeting for the unsecured creditors for the Petitioner Company-I was fixed as 25 unsecured creditors representing 25% of the total outstanding amount. The meeting of unsecured creditors was attended by 52 unsecured creditors entitled together to unsecured debt of Rs.3,49,81,40,969/- constituting 85.52% of the total value of unsecured debt of Rs.4,09,05,57,141/- owed by Petitioner Company-I.
9. The scheme of arrangement during the meeting of the unsecured creditors was unanimously approved and the report filed by the Chairman of the meeting indicate that.
10. The scheme of arrangement provides that authorized share capital of Petitioner Company- III has stood increased by clubbing of a part of authorised share capital of Petitioner Company-I which shall involve alteration of Memorandum and Article of Association of Petitioner Company-III. While seeking dispensation of the meeting of the shareholders of the Petitioner Company-III for approval of the scheme under Section 391 of the Companies Act, 1956 at the time of making Company Application (M) No.151 of 2006, an undertaking was given by the Petitioner Company-III that it shall obtain approval of its shareholders for increase in its authorised share capital consequent to scheme of arrangement. The Petitioner Company -III obtained in their AGM held on Tuesday, 19th October, 2006 the said approval, a copy of which has been filed by petitioners.
11. The petitioners have prayed that the Petitioner Company-I be dissolved without going through the process of winding up and no one will be prejudiced if the scheme of arrangement and sanction is approved as the scheme will be beneficial for everyone including petitioner companies, their shareholders, creditors, employees and all concerned.
12. The present petition was filed by the petitioners and thereafter notices were issued to the Official Liquidator and the Regional Director (NR) and citations were ordered to be published in the newspapers. 'The Statesmen', (English) and 'Jansatta' (Hindi) in accordance with the Companies (Court) Rules, 1959.
13. An affidavit of service dated 11th January, 2007 has been filed by the petitioner along with the copies of newspapers dated 24th November, 2006 was filed where the citations were published.
14. The Official Liquidator pursuant to the notice issued has filed his report dated 23rd January, 2007 contending inter alia that as per the Scheme of Arrangement, the Demerged Undertaking and all its movable properties where so ever situated and capable of passing by physical delivery as also and other properties pertaining to networking services business of Petitioner Company-I/Demerged Company would be transferred as going concern basis with effect from demerger appointed date to the Petitioner Company-II/Resulting Company and all debts, liabilities, dues and obligations of every kind, nature and description pertaining to the said business shall be transferred or deemed to be transferred to the Petitioner Company-II/Resulting Company without any further Act or deed and the employees of the Petitioner Company-I/Demerged Company employed in the networking services business as on the date

immediately preceding the date on which the scheme finally takes effect shall become the employees of the Petitioner Company-II/Resulting Company without any break or interruption in their services. Under the scheme of arrangement appointed date of the demerger is the first day of April 2006 or such other date as this Court may direct and the appointed date for amalgamation is the first day of April 2006 after giving effect to the Demerger or such other date as the court may direct and the effective date of the demerger and amalgamation will be the date on which the certified copies of the orders of the High Court under Sections 391 and 394 of the Companies Act, 1956 are filed with the concerned Registrar of Companies

15. The Official Liquidator has given his report on the basis of the information furnished by the companies in the prescribed proforma. The Official Liquidator has shown a comparative financial position of the Petitioner Company-I for the last three years ending 30th June, 2006, 30th June, 2005 and 30th June, 2004 as per audited accounts of the Company. The Official Liquidator has also considered the financial position of the Petitioner Company-II/Resulting Company for the last three years ending 31st March, 2006, 31st March, 2005 and 31st March, 2004 and also the financial position of the Petitioner Company-III/Transferee Company for the last three years ending 30th June, 2006, 30th June, 2005 and 30th June, 2004.
16. According to the Official Liquidator as per the scheme, the Petitioner Company-II/Resulting Company would issue 16,96,810 equity shares of Rs.100/- each to Petitioner Company-III/Transferee Company, only shareholder of the Petitioner Company-I, Transferor Company, in consideration of transferring and vesting of networking business of Demerged Company to the Resulting Company.
17. As per the report of the Official Liquidator, the authorized share capital of the Petitioner Company-I/Transferor Company shall stand split and reduced and same shall be combined with authorised share capital of Petitioner Company- II/Resulting Company and Petitioner Company- III/Transferee Company in the following manner:-
 - i. The authorised share capital of Petitioner Company-II/Resulting Company shall be increased by Rs.35 crores and accordingly the Memorandum and the Article of Association of Petitioner Company-II/Resulting Company shall stand amended.
 - ii. The authorised share capital of Petitioner Company-III/Transferee Company shall be increased by Rs.30 crores and accordingly the Memorandum and Article of Association of the Petitioner Company-III (Transferee Company shall stand amended.
18. The Official Liquidator has contended in his report that he has not received any complaint against the proposed Scheme of Arrangement from any person/party interested in the scheme in any manner and it has been stated, on the basis of information submitted by the Petitioner Company-I, that the business of the company does not appear to have been conducted in any manner which is prejudicial to the interest of member of public pursuant to requirement of second proviso of sub-Section 1 of Section 394 of the Companies Act, 1956.
19. The Petitioner Companies have also filed an application being CA No.146/2007 contending inter alia that the copy of the scheme which was annexed with the present petition had an inadvertent typographical error, as instead of 1696810 shares of Rs.100/- each, it has been mentioned that 1507252 equity shares of Rs.100 each will be issued by Resulting Company, Microcomp Limited, Petitioner company No. II to HCL Infosystems Limited, Petitioner Company No. III. It was contended that it was a typographical error as from the net assets statement it can be inferred that the consideration amount will be on the basis of 1696810 shares of Rs. 100/- each and not 1507252 equity shares of Rs.100 each and consequent correction was sought. A reply to the application has been filed on behalf of Regional Director (Northern Region) dated 6th March, 2007 contending that .Petitioner Company-II/Resulting Company could issue 1696810 equity shares of Rs.100 each to the petitioner company No.III being the holder of entire shareholding of the petitioner No.1 along with its nominee in consideration of transfer and vesting of networking business of Demerged Company to the Resulting Company and consequently it was stated on behalf of Regional Director that the Central Government has no objection to the said application and for decision of the case accordingly.
20. The reply to CA.No.146/2007 has also been filed on behalf of Official Liquidator regarding rectification of typographical error contending that Petitioner Company-II/Resulting Company should issue 1696810 equity shares of Rs.100 each to the Petitioner Company-III/ Transferee Company being the holder of entire shareholding of Petitioner Company-I along with its nominee in consideration of transfer and vesting of network business of demerged company to the Resulting Company. It is also contended that no one will be prejudiced in case the prayer for correction of typographical mistake is allowed.

21. Consequently the application being CA 146 of 2007 is allowed and the petitioners are allowed to correct the typographical error and the scheme will read so as to mean that Petitioner Company-II/Resulting Company will issue 1696810 equity shares of Rs.100 each to the Petitioner Company No.III being the holder of entire shareholding of the Petitioner Company No.1 along with its nominee in consideration of transfer and vesting of networking business of Demerged Company to the Resulting Company in place of 1507252 equity shares of Rs.100.
22. A report has also been filed by Shri Rakesh Chandra, Regional Director (Northern Region), Ministry of Company Affairs to the scheme of arrangement. It is contended that as per clause 2.11 of Part II of the scheme of arrangement, all the employees of the Demerged Company, vis., M/s. HCL Infinet Limited, engaged in 'networking service business' shall become the employees of the Resulting Company, vis., M/s. Microcomp Limited, without any break or interruption in their services upon sanctioning of scheme of arrangement/amalgamation.
23. Referring to para 2.15 (d) of (Part II of the Scheme of Arrangement, which is as under:-

"Upon the coming into effect of De-merger, the Authorised Equity Share Capital of the De-merged Company shall stand split and reduced by an amount of Rs.35,00,00,000/- (Rupees Thirty Five Crores only) and such amount by which the Authorised Share Capital has been reduced i.e. 35,00,00,000/- (Rupees Thirty Five Crores only) shall be clubbed with the Authorised Share Capital of the Resulting company. Consequently, the reduced authorized share capital of the De-merged Company shall be Rs.30,00,00,000/-"

It is objected to by Regional Director on the ground that reduction in share capital can be effected only in accordance with the provisions of Section 78 read with Section 100/101 of the Act by way of filing a separate petition under Section 100/101 of the Companies Act, 1956. It is also contended that the authorised share capital of a company can be increased only after following the procedure prescribed under the relevant provisions of Companies Act, 1956 and payment of requisite fee to the Registrar of Companies and stamp duty to the State Government. Regarding section 78 of the Companies Act, 1956, it was, however, contended by Mr. Kait, learned counsel for the Regional Director that section 78 has been mentioned on account of typographical error and section, 97 of the Companies Act, 1956 is relevant.

24. Referring to Para 2.12 of Part II of the Scheme, which is as under:-

"Clause III (a) of the Memorandum of Association of the Resulting company shall, upon De-merger coming into effect and without any further act or deed, stand amended by adding the new main object after sub-clause (3) of clause III (a) of the Memorandum of Association of the Resulting Company, to be pursued by the Resulting Company."

It is objected to by the regional director on the ground that Memorandum of Association of a company can be amended only after following the procedures prescribed under the relevant provisions of the Companies Act. 1956. which should be only after passing the special resolution by the members of the company in General Meeting and after filing the relevant form with the Office of the Registrar of Companies. Consequently, it is prayed that the Clause 2.12 of Part II of the Scheme of Arrangement be not allowed.

25. In respect of Para 2.13 of Part II of the Scheme, which is reproduced as under:-

"In order to maintain corporate identity amongst the networking Services Business customers, the Board of Directors of the Resulting Company in its meeting held on 26.07.2006 has proposed to change the name of the Resulting Company upon the Scheme becoming effective to HCL Infinet Ltd. Therefore, with effect from the Effective Date the name of the Resulting Company shall forthwith stand changed to I-ICL Infinet Ltd. (the then erstwhile name of the De-merged Company) without any further act or deed."

It is objected to by the Regional Director on the ground that the name of the resulting Company can be changed only after following the procedures prescribed under the relevant provisions of Companies Act, 1956 and consequently, it is prayed that the said clause in the Scheme of Arrangement be not allowed.

26. In reference to Para 2.15 of Part II of the Scheme, it is contended that in the petition it has been mentioned that 'upon the Scheme becoming effective', the Resulting Company shall without any further act or deed issue and allot to the HCL Infosystems Limited (being the only shareholder holding entire capital of the Demerged Company) 1696810 equity shares in the Resulting Company of Rs. 100/- each which shall be credited as fully paid up whereas the said clause 2.15 in the copy of the Scheme provides only for 1507252 equity shares of Rs.100/- each in the

Resulting Company. Regarding this objection the Regional Director has stated though it is stated that an application being CA No.146/2007 has been filed for correcting the typographical mistake but it is not clear whether all the companies have obtained the consent from their respective shareholders, secured and unsecured creditors regarding amendment in the petition. This application has already been allowed on no objection by the Regional Director and the official liquidator and the copy of scheme has already been ordered to be corrected.

27. The objection has also been taken that proposed allotment of share has not been worked out by an independent valuer, as normally the valuation of shares and swap ratio are calculated by a professional firm of Chartered, Accountants and reliance has been placed on Miheer H. Mafatlal Versus Mafatlal Industries Ltd. and. In the circumstances, it is contended that Petitioners, Demerged Company as well as Resulting Company, be directed to obtain valuation report from a recognised firm of Chartered Accountants.
28. Referring to clause 3.14 of Para III of the Scheme of Arrangement, it is contended that all the employees of the Transferor Company. viz.. M/s.HCL Infinet Limited other than engaged in 'Networking Services Business' shall become the employees of the Transferee Company, viz., M/s.HCL Infosystems Ltd. without any break or interruption in their services upon sanctioning of the Scheme of Arrangement.
29. The objection has also been taken regarding Para 3.16 of Para III the Scheme. which is as under:-

"Upon the coming into effect of this Scheme, the Authorised Share Capital of the Amalgamating Company, after giving effect to the Provisions of clauses 2.15(d) of the Scheme, i.e., Rs.30.00,00,000 (Rupees Thirty Crores only) shall stand combined with the Authorised Share Capital of the Amalgamated Company and the Memorandum and Article of Association of the Amalgamated Company shall automatically stand amended accordingly."

It is contended that the authorised share capital of a company can be increased only after following the procedures prescribed under the relevant provisions of the Companies Act. 1956 and payment of requisite fee to the Registrar of Companies and stamp duty to the State Government.

30. On behalf of Companies, a reply dated 9 March, 2007 has been filed to the objections raised by the Regional Director (Northern Region), Ministry of Company Affairs. It is contended by the petitioner companies that the Scheme envisages the following steps also to give effect to the Scheme:-
 - (i) The authorised share capital of HCL Infinet Limited amounting to Rs.65,00,00,000/- (Rs.Sixty Five Crores) shall be split and consequently inure to the benefit of HCL Infosystems Limited and Microcomp Limited to the extent of Rs.30,00,00,000/- and 35,00,00,000/- respectively.
 - (ii) As a result, upon the Scheme becoming effective, the authorized share capital of HCL Infosystems Limited would stand increased to Rs.115,00,00,000/- as compared to the existing figure of Rs.85,00,00,000/-. Similarly, the authorized share capital of Microcomp Limited shall stand increased to Rs.35,05,00,000/- from the existing figure of Rs.5,00,000/-.
 - (iii) Microcomp Limited shall issue 16,96,810 equity shares of Rs.100/- each amounting to Rs.16,96,81,000/- to HCL Infosystems Limited, the sole shareholder of HCL Infinet Limited.
 - (iv) Upon the Scheme becoming effective, the Remaining Business of HCL Infinet Limited shall be merged with HCL Infosystems Limited and HCL Infinet Limited stand dissolved without winding up."
31. It is pleaded that Scheme envisages a demerger of networking services business of HCL Infinet Limited in Microcomp Limited along with simultaneous merger of remaining business of HCL Infinet Limited with HCL Infosystems Limited. Emphasis is led on the fact that HCL Infinet Limited is a 100% subsidiary of HCL Infosystems Limited which holds 100% shares of HCL Infinet Limited and is the sole shareholder of HCL Infinet Limited. Microcomp Limited is also a 100% subsidiary of HCL Infinet Limited and is thus wholly owned subsidiary of HCL Infosystems Limited.
32. Regarding the reduction of share capital, it is stated that the plea of the regional director is untenable about decision of splitting of authorised share capital of HCL Infinet Limited whereby Rs.30.00 crores of authorised share capital of HCL Infinet Limited is added to the authorised share capital of HCL Infosystems Limited and the remaining Rs.35.00 crores to the authorised share capital of Microcomp Limited. It is contended by the petitioner companies

that there is no violation of Sections 78, 100 and 101 of the Companies Act, 1956 as Section 78 of the Companies Act, 1956 refers to Issue of shares at a premium while Sections 100 and 101 deals with reduction in share capital of the company. The emphasis is led by the petitioners that there is no provision for issuance of shares at a premium and, therefore, Section 78 is not applicable to the Scheme. Regarding reduction of capital, it also is stated that Section 101 deals with the paid-up share capital and the purpose of the said Section is to protect the interest of the creditors through a mechanism of approaching the court in case uncalled capital or paid-up capital is returned to the existing shareholders. It is contended by petitioners that the Scheme of Arrangement does not envisages compliance of the requirement under Section 100 and, 101 of the Companies Act, 1956 as scheme only envisages the splitting up of authorized share capital of HCL Infinet Limited of Rs.65,00,00,000 to the extent of Rs.30,00,00,000 in favour of HCL Infosystems Limited and Rs.35,00,00,000 in favour of Microcomp Limited and not of paid up capital. It is also contended that the Court, in any case, has the power to approve such reduction which forms part of scheme while sanctioning the scheme itself. Reliance has also been placed on Novapan India Limited. In re (1995) 88 Com Cases 596 (604) and In re, Manechchowk and Ahmedabad Manufacturing Co.Ltd (1969) 40 Corn Case 819 (868).

33. Regarding the objection of amendment in the Memorandum of Association, it is stated that Clause 2.12 and 2.15 (e) and (f) of Para II of the Scheme are the clauses which are consequent to the provisions of the Scheme for splitting the authorised share capital of HCL Infinet Limited as well as demerging/disgorging of the networking services business in favour of Microcomp Limited and transferring the remaining business by way of amalgamation to HCL Infosystems Limited. The petitioners have relied on the fact that these are consequential ministerial steps which the court sanctions under the Scheme under Sections 391 to 394 and is thus empowered to permit it in order to avoid duplicity of the proceedings. Reliance has been placed in support of the plea raised by the petitioners on In Re. Maneckchowk and Ahmedabad Manufacturing Co. Ltd., [1970 (40) Comp Case 819] holding that section 391 is a complete code in itself. The relevant extract are as under:-

“If section 391 was subject to other provisions of the Act every time the scheme of compromise and arrangement is put forth for the sanction of the court, if it includes things for which specific provisions are made and that will have to be gone through before the scheme is sanctioned, it would result in unnecessary duplication of procedure and would be cumbersome. On the contrary, it appears that if the creditors and members of the company arrive at a certain compromise which the court considers fair, it can be sanctioned under Section 391 despite the fact that for some of those things included in the Compromise another procedure is prescribed in the Companies Act and which has not been carried out. It, therefore, appears that the section is a complete code which provides for sanctioning of the scheme of compromise and arrangement.”

34. Reliance has also been placed, on the Judgement of a single Judge in PMP Auto Industries Limited. In Re (1994) 80 Comp Case 289 at page 299, the relevant extract is as under:-

“The position in law appears to be clear, Section 391 invests the court with powers to approve or sanction a scheme of amalgamation/arrangement which is for the benefit of the company. In doing so, if there are any other things which, for effectuation, require a special procedure to be followed -except reduction of capital - then the court has powers to sanction them while sanctioning the scheme itself. It would not be necessary for the company to resort to other provisions of the Companies Act, or to follow other procedures prescribed for brining about the changes requisite for effectively implementing the scheme which is sanctioned by the court. Not only is section 391 a complete code as held by the courts, but, in my view, it is intended to be in the nature of a ‘single window clearance” systems to ensure that the parties are not put to avoidable, unnecessary and cumbersome procedure of making repeated applications to the court for various other alterations or changes which might be needed effectively to implement the sanctioned scheme whose overall fairness and feasibility has been judged by the court under section 394 of the Act.”

35. Regarding the objection of the Regional Director relating to increase in authorised share capital of the company and payment of fee and stamp duty, the reliance has been placed on Jaypee Cement Limited in re (2004) 52 SCL 801 page 820.

The relevant portion is reproduced as under;-

“The second objection of the Central Government is with regard to another condition mentioned in para 4.03 (ii) of the scheme which provides that upon the merger authorised share capital of JPI shall stand combined with the authorised share capital of JPC. According to the Regional Director, this amounts to increase of the authorised capital of JPC. which cannot be done without paying the requisite fee/stamp duty to the Government. In reply to this objection, it was submitted on behalf of JPC that the fee/stamp duty is nominal and has a maximum limit which the JPC is prepared to pay. But, it was submitted that the requisite fee has

already been paid on the authorised capital of JPI and merely because of its merger, with JPC, there is no reason why the same fee should be paid again by JPC on the same authorised capital.”

36. The petitioners have also contended that there is no requirement for the Petitioner Companies I and II to pay duty again on the same authorised capital on which the duty has already been paid and regarding increase of authorised capital by merger, it is stated that an order can be passed under Section 391 of the Companies Act itself and reliance has been placed on *Bazley Finvest Limited* (2005) 64 SCL 480 and *In Hotline Hol Celdings (P) Ltd.* (2005) 4 CLA 72 (Delhi) and *Maharishi Ayurveda Corporation Limited*.
37. Regarding the objection of the change of name of Microcomp Limited to HCL Inifinet Lirnltd, it is stated that it is no longer *res integra* in view of the judgement of *Jindal Photo Limited, Bhimtal* In Re 65 CLA 246. The petitioners have contended that change in name is a ministerial step and once the court accepts the basic premise of the scheme and if the scheme is in the interest of shareholders and creditors and does not go in any manner against the public policy, the change of name should also be permitted.
38. I have heard the counsel for the parties at length and have considered the objections of Regional Director and the reply filed by the petitioner companies and the precedents relied on by them.
39. The first objection of the Regional Director is regarding para 2.15(d) of Part II of the scheme regarding the reduction of authorised share capital. The objection is that share capital can be reduced only by filing a separate petition under Section 100/101 of Companies Act. 1956. The objection has also been taken regarding reduction of share capital in compliance with Section 78 of the Companies Act. 1956. During the arguments, learned counsel for the Regional Director, Mr. Kait. submitted that Section 78 has been referred on account of typographical mistake and reliance has been placed on Section 97 of the Companies Act. 1956.
40. Perusal of the scheme unequivocally reflects that in the totality of facts and circumstances there is no reduction of paid up share capital of the companies. The reduction of share capital is dealt with under Section 100/101 of the Companies Act. 1956 which contemplates that the reduction can be effected by reducing the paid up capital of the company. In *Novopan India Limited, in re* (1995) 88 Company Cases 596 the scheme of amalgamation of Novopan India Limited with G.V.K. Hotels Limited was involved which also involved reduction of share capital. The scheme of amalgamation had contemplated reduction of share capital of the Transferee Company and such reduction was to be effected by cancelling the paid up share capital to certain extent which was objected to by Central Government. A single Judge of Andhra Pradesh High court had held that the proposed reduction of capital involved only an adjustment of unrepresented share capital to certain extent leaving the balance unrepresented capital and the arrangement proposed did not involve any loss to creditors, considering the fact it was only unrepresented loss which was sought to adjusted against the share capital by way of reduction and the total assets and liabilities of the Transferee Company did not indicate any change. Relying on Rule 85 of the Companies (Court) Rules, 1959 regarding proposed reduction of the share capital. it was held that it has already been approved by the shareholders unanimously and even the creditors have given their consent to the proposed scheme of arrangement and since the secured creditors had expressed that they had no objection to the amalgamation and arrangement, it was not necessary for the transferor/transferee companies to report compliance with the requirement of Section 102 of the Act because no objection of the secured creditors was placed before the members and the same had also been produced before the Court. It was held that there was sufficient material with the shareholders which could be treated as substantial compliance with the provisions of Section 173 of the Act which provides for an explanatory statement to be annexed to the notice. The learned single Judge held that since the resolution regarding the scheme of amalgamation and arrangement was passed unanimously, there was no reason not to treat the said resolution as satisfying all the requirement of the special resolution.
41. In *Maneckchowk and Ahmedabad Manufacturing Co. Ltd.* (supra), it was held that in case of reduction of share capital as a part of scheme of compromise and arrangement. Rule 85 will have to be given full effect. If a scheme has been approved by a statutory majority and if the scheme is to be sanctioned, as part of such a scheme reorganisation of the share capital, except the reduction of share capital can be sanctioned and it will be necessary to find out whether the procedure prescribed for effecting reduction of the share capital has been gone through or not. It was further held that if the reduction or share capital proposed in a scheme does not involve other diminution of liability in respect of unpaid share capital or payment to any shareholder of unpaid share capital, the court can sanction the same without reference to the creditors.

42. In case of petitioner, the scheme envisages the splitting of authorised share capital of HCL Infinet limited of Rs.65.00 crores to the extent of Rs.30.00 crores in favour HCL Infosystems Limited and Rs.35.00 crores to Microcomp Limited. Section 101 deals with reduction of paid up share capital. The object of the provision is to approach the Court in order to reduce the paid up capital in order to protect the interest of the creditors so that uncalled capital or paid up capital is not returned to the existing shareholders. The reduction of share capital proposed in a scheme does not involve other diminution of liability in respect of unpaid share capital or payment to any shareholder of paid-up share capital. What is contemplated is the splitting of a part of the authorized share capital of HCL Infinet Limited in favour of HCL Infosystems Limited and a part in favour of Microcomp Limited. The learned counsel for the regional Director has not been able to point out as to how this is in violation of the provisions relied on behalf of regional Director. No precedent to the contrary has also been brought to my notice so as not to permit this consequential reorganization of the capital. It also can not be disputed that Section 391 invests the court with powers to approve or sanction a scheme of demerger/amalgamation which is for the benefit of the company. In doing so, if there are any other things which for effectuation, require a special procedure to be followed then the court has powers to sanction them while sanctioning the scheme itself and it is not necessary for the company to resort to other provisions of the Companies Act, or to follow other procedures prescribed for brining about the changes requisite for effectively implementing the scheme which is sanctioned by the court. Section 391 is a complete code and it is almost in the nature of a 'single window clearance" systems to avoid unnecessary and cumbersome procedure for various other alterations or changes which might be needed effectively to implement the sanctioned scheme whose overall fairness and feasibility is being judged while sanctioning the scheme under section 394 of the Act. Though the judgment relied on by the petitioner carved out an exception to this in case of reduction of share capital but in the case of the petitioner, it is not intended to reduce the paid up capital of the companies so as to undergo the separate procedure prescribed. Consequently the objection of the Regional Director is not sustainable that the petitioner must resort to the separate procedure as contemplated under section 100/101 of the Companies Act. 1956 and that para 2.15 (d) of the Part II of the scheme needs modification. The objection is therefore, not accepted.
43. The Regional Director has also objected clause 2.12 of Part II of the scheme on the ground that Memorandum of Association can be amended only after following the procedure prescribed under the relevant provisions of the Companies Act which contemplates passing a special resolution by the members of the company in the General Meeting and filing of relevant forms with the Registrar of Companies. Perusal of Section 391 of the Companies Act, 1956 will reflect that it is a complete code In Itself and compliance with the provisions as laid down in Section 391 shall be a compliance of procedure for amendment of Memorandum of Association under Section 17 of the Companies Act. 1956. In Marhrishi Ayurveda Corporation Limited, CP 288 of2005 decided on 31st January. 2006, an objection was taken on behalf of Regional Director that the status of the Transferee Company from a public company to a private company and the Article of Association cannot be automatically amended contrary to Section 31 of the Companies Act. 1956 because of the reason that change of status has to be as per the procedure prescribed under Section 31 of the Act. Dealing with the objection of the Regional Director, the learned single Judge had held that Section 391 to 394 of the Companies Act, 1956 constitute a complete code and the object of which is to eliminate duplication of the procedure and frequent applications being made to the court as also to effectively implement scheme of amalgamation which the court sanction in exercise of its powers under Section 394 of the Act. Similarly Gujarat High Court In Maneckchowk and Ahmedabad Manufacturing Co. Ltd (supra) and Bombay High Court in PMP Auto Industries Limited. 1994 (80) Company Cases 289, it was held that insofar as special procedure prescribed for change of status of the company from public company to private company and amendment in the Memorandum of Association of the company concerned that Section 391 invests the court with powers to approve or sanction a scheme of demerger/amalgamation which is for the benefit of the company and in doing so, if there are any other things which, for effectuation, require a special procedure to be followed then the court has powers to sanction them while sanctioning the scheme itself and it is not necessary for the company to resort to other provisions of the Companies Act, or to follow other procedures prescribed for brining about the changes requisite for effectively implementing the scheme. The learned single Judge had held as under:-
- "16. The next objection of the Regional Director was that the provision with regard to change of the status of the transferee company from Public Company to Private Company, as contained in para 5.24(a) of the Scheme, may not be allowed by this court as the status of a company from Public Company to Private Company can be changed after following the procedure prescribed in Section 31 of the Companies Act. 1956. The Regional Director also objected that amendment in the Memorandum of Association of a company, as referred to in para 5.23 of the Scheme, may not be allowed as it can be amended only after following the procedure prescribed under the relevant provisions of the Companies Act. 1956, which includes passing of the resolution by the members of the company in general meeting and filing of relevant form with the office of the Registrar of

Companies. In response to the said objections the learned counsel for the petitioner urged that Sections 391 to 394 of the Companies Act, 1956 constitute a complete code, the object of which is to eliminate duplication of the procedure and frequent applications being made to the court, as also to effectively implement scheme of amalgamation, which the court sanctions in exercise of its powers under section 394 of the Act. Learned counsel for the petitioner also submitted that change in the status of the company shall not effect any rights or obligations of the company or render defective any legal proceeding by or against it. In *Maneckchowk and Ahmedabad Manufacturing Co. Ltd.* 1970(40) Comp Cas 819. Gujarat High Court held (at Page 854) as under:

“If section 391 were not to be treated as a complete code and if it is intended that various things that can be done by way of a scheme of compromise and arrangement, if they were to fall under different provisions of the Companies Act, which prescribe certain procedure for doing the same and that procedure has to be gone through, it was not necessary to provide specifically that if the scheme of compromise and arrangement includes reduction of capital special procedure in respect of reduction of capital must be gone through before it could be sanctioned as part of the scheme of compromise and arrangement. There seems to be good reason for making such a provision in rule 85...”

17. The Gujarat High Court in *Maneckchowk and Ahmedabad Manufacturing Co. Ltd.* further held:

“If section 391 was subject to other provisions of the Act, every time the scheme or compromise and arrangement is put forth for the sanction of the Court, if it includes things for which specific provisions are made and that will have to be gone through before the scheme is sanctioned, it would result in unnecessary duplication of procedure and would be cumbersome. On the contrary, it appears that if the creditors and members of the Company arrive at a certain compromise which the court considers fair, it can be sanctioned under section 391 despite the fact that for some of those things included in the compromise another procedure is prescribed in the Companies Act and which has not been carried out. It, therefore, appears that section 391 is a complete code which provides for sanctioning of the scheme of compromise and arrangement.”

18. The judgment of Gujarat High Court in *Maneckchowk and Ahmedabad Manufacturing Co. Ltd.* 1970(40) Comp Case 819 was followed in *PMP Auto Industries Limited*, 1994(80) Comp Case 289. The observations of Bombay High Court in *PMP Auto Industries Limited* (supra) are extracted as under:

“Thus, the position in law appears to be clear, Section 391 invests the court with powers to approve or sanction a scheme of amalgamation/arrangement which is for the benefit of the company. In doing so, if there are any other things which, for effectuation, require a special procedure to be followed - except reduction of capital - then the court has powers to sanction them while sanctioning the scheme itself. It would not be necessary for the company to resort to other provisions of the Companies Act or to follow other procedures prescribed for bringing about the changes requisite for effectively implementing the scheme which is sanctioned by the court. Not only is section 391 a complete code as held by the courts, but in my view, it is intended to be in the nature of a “single window clearance” system to ensure that parties are not put to avoidable, unnecessary and cumbersome procedure of making repeated applications to the court for various other alterations or changes which might be needed effectively to implement the sanctioned scheme whose overall feasibility has been judged by the court under section 394 of the Act.”

19. Taking note of the Judgment of the Gujarat High Court in *Maneckchowk and Ahmedabad Manufacturing Co. Ltd.* (supra) and of Bombay High Court in *PMP Auto Industries Limited* (supra). I am of the view that the observations, given in the said Judgments, are equally applicable in so far as the special Procedure, prescribed for change of status of the company from Public Company to Private Company and amendment in the Memorandum of Association of the company is concerned.”

44. In view of these, it is apparent that the objection of the Regional Director is not sustainable. Clause 2.12 of Part II of the Scheme cannot be objected to by the Regional Director. Amendment to Memorandum and Article of Association being consequent to the provision of scheme for splitting of authorised share capital HCL Infinet Limited as well as demerging/dis-gauging of the networking services business in favour of Microcomp Limited and transferring the remaining business by way of amalgamation to HCL Infosystems Limited in the present facts and circumstances are the ministerial and consequential steps which this Court is empowered to permit in order to avoid duplicity of proceedings while sanctioning the scheme and consequently there is no requirement to file a separate

application for seeking amendment to the Memorandum of Article or Association with the Registrar of Companies. The learned counsel for the regional director has also not pointed out anything to the contrary. Therefore, this objection of the regional director also can not be sustained.

45. Whether the authorized share capital of a company can be increased only after following the procedure prescribed under the relevant procedure of the Companies Act, 1956 and payment of requisite fee to the Registrar of Companies and the stamp duty to the State Government or the authorized share capital of the transferee company will increase without following the procedure on sanction being granted for the amalgamation of the companies. The objection of the Regional Director that the authorized share capital can be increased only after following the procedure prescribed and payment of requisite fees to the Registrar of companies and stamp duty to the State Government.
46. Similar objection was considered by this Court in the case of *in Re Hotline Hol Celdings Pvt. Ltd. and Others*, (2005) 127 Company Cases 165 (Delhi) holding that in case of complete merger authorized share capital of the transferee company can be enhanced by the authorized share capital of the transferor company without payment of stamp duty. Stamp duty and fee paid by the transferor company can be treated as paid by the transferee company.
47. Regarding the increase of authorized share capital by merger of the authorized capitals of the two companies, an order can be passed under section 391 of the (Companies) Act itself. This has been laid down by the Bombay High Court in the case of *Vasant Investment Corporation Ltd. v. Official Liquidator, Colaba Land & Mills Co. Ltd.* [1981] 51 Comp. Cas. 20 [at p.34/[1980] Tax LR 2079]. The relevant part of the judgment is reproduced below:

“The whole purpose of section 391 is to reconstitute the company without the company being required to make a number of applications under the [Companies Act] for various alterations which may be required in its memorandum and articles of association for functioning as a reconstituted company under the scheme [vide *Maneckchowk and Ahmedabad Mfg. Co. Ltd.*, *In re* [1970] 40 Com. Cas. 819 (GuJ.)]. The Company is, therefore, not required to make a separate application under the [Companies] Act for alteration of its memorandum of association to show the new share capital. Such an alteration can be sanctioned under the scheme itself.

48. A Similar view has been taken by the Bombay High Court in the case of *PMP Auto Industries Ltd.*, *In re*. [1972] 7 CLA 17 [1994] 80 Comp.Cas.289 at pp. 295,296 (Bom.), and by the Gujarat High Court in the case of *Maneckshawk & Ahemdabad Mfg. Co.* (supra). In view of the aforesaid legal position, the objection of the Regional Director is not tenable. It is inferable that combined authorized capital of the amalgamated company does not exceed the authorized capital of the two companies, calling for any further fees or stamp duty or to follow separate procedure for such merger of authorized share capital. Consequently, the objection of the Regional Director (NR), Ministry of Company Affairs, can not, be sustained and the transferee company shall be entitled for increase of its authorized share capital on the amalgamation without following the procedures as contemplated under the Companies Act.
49. The next objection of the Regional Director is regarding the change of name of Microcomp Limited to HCL Infinet Limited. In *Jindal Photo Limited. Bhimtal* *in re* 65 CLA 246, it was held that the company was not required to make separate application for alteration with respect to change in its name and Memorandum of Association and its authorised share capital. Similarly, in *re J.P. Cement Limited*. 121 Company Cases 854, it was held that if a scheme provides for change in name and if the Registrar as delegate of Central Government making the name available and the special resolution sanctioning the scheme can be construed as a special resolution for change of name and, therefore, the requirement for change of name is satisfied and there will not be any impediment to sanction the change of name. It is contended by the learned counsel that the HCL Inflnet Limited is the name which is already approved by the Registrar of Companies and consequently the change of name of Microcomp Limited to HCL Infinet Limited will fulfil the requirement for change of name and, therefore, there would be no impediment to sanction the scheme contemplating the change of name of Microcomp Limited to HCL Infinet Limited.
50. Learned counsel for the Regional Director, Mr. Kait, is also not able to point out any decision to the contrary and has rather contended that in the peculiar facts and circumstances of this case where the changed name, HCL Infinet Limited, has already been approved by the Registrar, therefore, the requirements for the change of name are fulfilled and, consequently, the scheme contemplating change of name, in these circumstances, cannot be objected to.
51. The objection of the Regional Director regarding the typographical error about 15,07,252 shares to be issued by the resulting company of 16,96,810 the application for rectification of typographical error being CA 146 of 2007 has been

allowed on the no objection being given by the Regional Director and the official liquidator and consequently the resulting company has to issue 16,96,810 shares and this objection is not sustainable any further.

52. The last objection of the Regional Director is that there has to be a valuation of share swap ratio and it is to be done by a recognised firm of Chartered Accountant. This objection is not sustainable in the facts and circumstances of this case. It cannot be disputed that the sole shareholder of Demerged Company, i.e., HCL Infinet Limited, and the Resulting Company, Microcomp Limited is HCL Infosystems Limited only and therefore, there is no swapping of shares and, therefore, there will not be any requirement to get the shares of demerged company and resulting company to arrive at exchange ratio. The scheme envisages issuance of shares of a sum of Rs.16,96,81,000 by Microcomp Limited to HCL Infosystems Limited based on the net assets of demerged undertaking networking services business of HCL Infinet Limited. Reliance can be placed on Larsen and Toubro Ltd. (2004) 121 Com Cases 523 holding:

“Valuation of the shares which is mandatory in a scheme of amalgamation may not be necessary in cases of demerger like this since the shareholders continue to hold shares in the transferor company and the shareholders of the transferor companies are also issued shares in the transferee company.

53. Consequently, none of the objections of the Regional Director are sustainable and, therefore, having regard of the averments made in the petition, the material placed on record and the affidavits filed on behalf of companies, I am satisfied that the prayer made in the petition deserves to be allowed. I do not find any legal impediment in order to sanction the scheme of demerger and amalgamation. Consequently, the sanction is hereby granted to the proposed scheme of demerger/arrangement and amalgamation under Section 391(2) and 394 of the Companies Act, 1956. Consequent upon the amalgamation, the HCL Infinet Limited shall stand dissolved without the process of winding up. The resulting company shall comply with the statutory requirements. Certified copy of this order will, be filed with the Registrar of Companies within five weeks from the date of order.
54. The petition is, therefore, disposed of in terms hereof.

-Sd-
ANIL KUMAR.J

March 20, 2007
'sdp'

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT AND AMALGAMATION

OF

COMPANY PETITION NO. 268/2006

CONNECTED WITH

COMPANY APPLICATION (M) NO. 151/2006

IN THE MATTER OF

M/s. HCL Infinet Ltd.,
having its Regd. Office at
806, Siddharth, 96, Nehru Place New Delhi-110019
Petitioner Company No.1/Demerged Company

AND

IN THE MATTER OF

M/s. Microcomp Ltd.,
having its Regd. Office at
806, Siddharth, 96, Nehru Place New Delhi-110019
Petitioner Company No.2/Resulting Company

AND

IN THE MATTER OF

M/s. HCL Infosystems Ltd.,
having its Regd. Office at
806, Siddharth, 96, Nehru Place New Delhi-110019
Petitioner Company No.3/Transferee Company

BEFORE HON'BLE MR. JUSTICE ANIL KUMAR

DATED THIS THE 20TH DAY OF MARCH, 2007

ORDER UNDER SECTION 394 OF THE COMPANIES ACT. 1956

The above petition coming up for hearing on 20/3/2007 for sanction of scheme of arrangement and amalgamation proposed to be made of M/s. HCL Infinet Ltd (hereinafter referred to as the Petitioner Company No.1/Demerged Company) and M/s. Microcomp Ltd. (hereinafter referred to as the Petitioner Company No. 2/Resulting Company) and M/s. HCL Infosystems Ltd. (hereinafter referred to as the Transferee Company) comprising of two stages: Stage-I being the demerger of demerged undertaking of the Demerged Company to the Resulting Company and Stage-2 being the amalgamation of the remaining business of the Demerged Company to the Transferee Company, upon reading the said petition, the order dt. 12/9/2006 whereby the requirement of convening and holding the meetings of the shareholders and secured creditors of the Petitioner Company No. 1 and shareholders and creditors of the Petitioner Company No. 2 and Transferee Company was dispensed with and the meeting of unsecured creditors of the Petitioner Company No.1 was ordered to be convened for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of arrangement & amalgamation annexed to the affidavit of Sh. Sushil Kumar Jain, authorized signatory of the applicant companies filed on 6th day of September, 2006 and the publication in the newspapers namely (1) Statesman (English) and (2) Veer Arjun (Hindi) both dt. 4/10/2006 each containing the advertisement of the said notice convening the said meeting directed to be held by the said order dt.12/9/2006, the affidavit of Sh. T.S. Chaudhary, Chairperson filed on 16/10/2006 showing the publication and despatch of the notices convening the said meeting, the report of the Chairperson of the said meeting as to the result of the said meeting and upon hearing Sh. Rajiv Shakhdar, Sr. Advocate with Mr. Mukul Talwar, Mr. Satwinder

Singh and Ms. Sheenam Parwanda, Advocate for the petitioner, Ms. Manisha Tyagi, Advocate for Official Liquidator and Sh. Suresh Kait, Advocate with Mr. R.D. Kashyap, Dy. Registrar of Companies for the Regional Director and it appearing from the report that the proposed scheme of arrangement and amalgamation has been approved unanimously without any modification by the unsecured creditors of the Petitioner Company No.1 present and voting either in person or by proxy and upon reading the affidavit dated 19/1/2007 of Sh. Rakesh Chandra, Regional Director, Northern Region, Ministry of Company Affairs, Noida on behalf of Central Government whereby he raised the following objections: (1) First objection is that reduction in share capital can be effected only in accordance with the provisions of Section 97 read with Section 100/101 of the Act by way of filing a separate petition under Section 100/101 of the Companies Act, 1956. (2) Second objection is that Memorandum of Association of the company can be amended only after following the procedure prescribed under the relevant provisions of the companies Act, 1956 which should be only after passing the special resolution by the members of the company in General Meeting and after filing the relevant Form with the office of Registrar of companies. (3) Third objection is that the name of the resulting company can be changed only after following the procedure prescribed under: the relevant provisions of the Companies Act, 1956. (4) Fourth objection is that the proposed allotment of shares has not been worked out by an independent valuer as normally the valuation of shares and swap ratio are calculated by a professional firm of Chartered Accountants: (5) Fifth objection is that the authorized share capital of a company can be increased only after following the procedures prescribed under the relevant provisions of the Companies Act, 1956 and payment of requisite fees to the Registrar of Company and stamp duty to the State Government. The Court ordered that none of the objections of the Regional Director are sustainable; and considering the affidavit of Sh. A.K. Chaturvedi, Official Liquidator filed on 24/1/2007 stating therein that the affairs of the Petitioner Companies No. 1 and 2 have not been conducted in a manner prejudicial to the interest of its members or to public interest; and there being no investigation proceedings pending in relation to the petitioner companies under Section 235 to 251 of the Company Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT AND AMALGAMATION setforth in Schedule-I annexed hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Demerged, Resulting and Transferee Companies and all concerned and doth approve the said scheme of arrangement and amalgamation with effect from the appointed date i.e. 1.4.2006.

AND THIS COURT DOTH FURTHER ORDER:

- 1(a). That all the property, rights and powers of the demerged undertaking of the Demerged Company specified in the First, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the demerged undertaking of the Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Resulting Company for all the estate and interest of the demerged undertaking of the Demerged Company therein but subject nevertheless to all charges now affecting the same; and
- 2(a). That all the liabilities and duties of the demerged undertaking of the Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Resulting Company; and
- 3(a). That all the proceedings now pending by or against the demerged undertaking of the Demerged Company be continued by or against the Resulting Company; and
- 4(a). That the Resulting Company do without further application allot to such members of the demerged undertaking of the Demerged Company as have not given such notice of dissent as is required by Clause 2.15 given in the scheme of arrangement and amalgamation herein the shares in the Resulting Company to which they are entitled under the said arrangement and amalgamation; and
- 5(a). That the Demerged Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and
- 1(b). That all the property, rights and powers of the remaining business of the Demerged Company specified in the First, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the remaining business of the Demerged Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act. 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the remaining business of the Demerged Company therein but subject nevertheless to all charges now affecting the same; and

- 2(b). That all the liabilities and duties of the remaining business of the Demerged Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
- 3(b). That all the proceedings now pending by or against the remaining business of the Demerged Company be continued by or against the Transferee Company; and
- 4(b). That the entire share capital of the amalgamating company is held by the Transferee Company, the share capital of the amalgamating company shall stand cancelled upon the scheme becoming effective and there will be no allotment of shares by the Transferee Company consequent to the amalgamation as the company cannot allot shares to itself; and
- 5(b). That the Demerged Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the remaining business of the Demerged Company shall be dissolved without the process of winding up and the Registrar of Companies shall place all documents relating to the Demerged Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Demerged and Transferee Companies shall be consolidated accordingly; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEME OF ARRANGEMENT

BETWEEN

HCL INFINET LIMITED... Demerged Company/ Amalgamating

Company

MICROCOMP LIMITED... Resulting Company

HCL INFOSYSTEMS LIMITED... Amalgamated Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

- A. This composite Scheme of Arrangement (hereinafter referred to as the "Scheme") provides for :
- (a) the transfer by way of a demerger of the Demerged Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company; and
 - (b) the amalgamation of the Amalgamating Company (comprising the Remaining Business, as defined hereinafter) with the Amalgamated Company;
- pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 in the manner provided for in the Scheme.
- B. The Scheme is divided into the following parts:
- (a) Part I deals with the Introduction and Definitions;
 - (b) Part II deals with vesting of Demerged Undertaking of Demerged Company into Resulting Company;
 - (c) Part III deals with the amalgamation of Amalgamating Company with Amalgamated Company; and
 - (d) Part IV deals with the general terms and conditions that would be applicable to the Scheme.
- C. The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

PART-I

Introduction & Definition

1.1 INTRODUCTION:

WHEREAS:

- A. HCL Infosystems Limited is a listed public limited company registered under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi - 110019. HCL Infosystems Limited is primarily engaged in manufacturing, sale and service of computer system and related products & services.
- B. HCL Infinet Limited is a company registered under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi -110019. It is, a wholly owned subsidiary of HCL Infosystems Limited. HCL Infinet Limited is primarily engaged in providing internet services, networking, security solutions, call center services, contents services, trading and servicing of mobile phones and trading and servicing of office automation and telecommunication equipment.
- C. Microcomp Limited is a company registered under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi-110019. It is a wholly owned subsidiary of HCL Infinet Limited and was incorporated with the following objects:

- (a) To manufacture, develop, import, export, buy, sell, (on installment, hire purchase or other basis), distribute, repair, convert, alter, let on hire and otherwise deal in all kinds of electronic data products including calculators, microcomputers and minicomputers and other similar articles: products and devices and their accessories, stores, spares, parts, components and assemblies and all kinds of instruments apparatuses, appliances and gadgets used for or in connection with any of the aforesaid.
- (b) To manufacture, develop, export, import, distribute and deal of electronic, electrical, electro-mechanical and other similar equipment used in instrumentation, process control, communication and office equipment fields and electronic components and sub-assemblies of all types.
- (c) To develop, imports, export and deal in computer software.

D. The business structure of HCL Infinet Limited is primarily divided into two divisions:

- (i) The business of office automation and telecommunication product and services consisting of sale of telecommunication products, office equipment products and related comprehensive maintenance services relating to these (hereinafter referred to as the 'Product and Services Business');
- (ii) The business of networking and internet related products and services consists of Internet Access Services, Virtual Private Network, other connectivity services and sale of related hardware (hereinafter referred to as 'Networking Services Business'),

Networking Services Business operates under an ISP licence and has also obtained NLD licence and thus will evolve as a telecom network services company over a period of time, Therefore in order to focus on the Networking Service Business, it is proposed to align all the licensed telecom businesses together under one entity, It is, therefore, proposed to demerge the Networking Services Business of HCL Infinet Limited into Microcomp Limited which is a subsidiary of HCL Infinet Limited. This would ensure that the Networking Business is run with independent control, greater focus enabling the company to look for technology and financial infusion at appropriate time. Further In order to continue to maintain the corporate identity amongst the networking customers, it is proposed to change the name of Microcomp Limited to HCL Infinet Limited after the Scheme becomes effective.

The residual business in HCL Infinet will comprise of Office Automation and Telecommunication Products and Services Business. The technologies of IT, Telecom and Office Automations products and services are converging and products are being introduced which are multifunctional in nature and which cater to all the three segments of the market viz, IT, Telecom and Office automation. HCL Infosystems and HCL Infinet are currently engaged in the business of computer, cellular phones, printers, multifunctional products, telecom switches, copiers, projectors etc. All these products are already converging with Computers and related chips acting as 'fulcrum' for the overall functionality.

HCL Infosystems Limited, the parent company, is a leading computer manufacturing company in India. The company's distribution channel is spread all over India. Through the distribution channels, it can reach to the customers in all parts of India for sales and services of the products manufactured and traded by it. The Products and Services Business of HCL Infinet Limited has increased manifold and it has developed relationship with top telecom and imaging products players in the world like Ericsson, Toshiba, Nokia, Infocus, Duplo etc. HCL Infinet Limited holds a leadership position in the distribution of digital and multimedia projectors. The business is witnessing very strong growth rate. The telecom business has also witnessed an explosive growth. The growth in the product distribution and service business is expected to gain further momentum in the years to come. The direct and indirect sales and distribution and service channels by both the companies for their products are resulting in duplication of effort and resources. The duplication in selling, distribution and service efforts are costing huge amount of resources in terms of time and money.

It is therefore proposed to merge the residual business of HCL Infinet with HCL Infosystems Limited. With the amalgamation of HCL Infinet, carrying the residual business, in HCL Infosystems Limited, the merged entity would be in a better position to serve the customer needs and address the converging product categories. The proposed merger will also address the issue of managing financial and operational discipline in the distribution and support chain considering anticipated growth in the said business. The merger will result in better and efficient distribution model, better customer service resulting in improved profit for the combined entity. This will also enable the shareholders of HCL Infosystems Limited to directly participate in the business of Product and Services Business of HCL Infinet Limited..

- E. The major benefits that will accrue from the proposed Scheme are as under:
- (1) The arrangement would keep the licenced businesses (Networking business) of HCL Infinet Limited under one company for better focus, control and management and to provide proper technology and financial infusion at the appropriate time.
 - (2) The arrangement will help the applicant Companies to address the changing market scenario to take advantage of increasing convergence in the IT, Telecom and Office automation technologies by offering these multifunctional products and services from one company to cater the needs of customers and thus help compete better in the market place.
 - (3) The arrangement would result in consolidating the Products and Services Business under one banner and to focus on the common activities which can be carried on more efficiently and economically in one entity instead of being divided into two entities and to develop expertise and to acquire and retain competitive edge by controlling costs, eliminating common expenses, focused management ,developing technical skills and to provide technology infusion in one entity for the same area of operations instead of making available the same to two entities.
 - (4) The arrangement would enable the Products and Services business to use the excellent marketing and distribution channels of HCL Infosystems Limited to sustain the growth in its business.
 - (5) Economies of scale and operational synergy will result in cost reduction and obviate duplication of efforts.
 - (6) The arrangement would result in better and focused utilization of managerial resources.
- F. Accordingly, a composite Scheme of Arrangement, pursuant to sections 391 to 394 of the Companies Act, 1956, (hereinafter referred to as the "Scheme") has been arrived at, in its present form or with any modification(s) approved or imposed or directed by the shareholders and/ or creditors of HCL Infosystems Limited and/or HCL Infinet Limited and/or Microcomp Limited or by the High Court, which, provides for:
- (a) Demerger of "Demerged Undertaking" (defined hereinafter) of HCL Infinet Limited into Microcomp Limited; and
 - (b) Amalgamation of HCL Infinet Limited (comprising of Remaining Business) with HCL Infosystems Limited.
 - (c) Changes of name of Microcomp Limited to HCL Infinet Limited with effect from the Effective Date.

1.2 DEFINITIONS:

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

- A. **"Act"** means the Companies Act, 1956 and. shall include any statutory modification, re-enactment or amendment thereof;
- B. **"Amalgamation"** means the amalgamation of the Amalgamating Company with the Amalgamated Company in terms of the Scheme in its present form or with any modification(s) as approved or imposed or directed by the shareholders and/ or creditors of Amalgamating Company and/or Amalgamated Company or by the High Court or any other authority concerned.
- C. **"Amalgamation Appointed Date"** means 1st April 2006 after giving effect to the Demerger pursuant to Part-II of the Scheme or such other date(s) as the Hon'ble High Court may direct or approve;
- D. **"Amalgamated Company"** means **HCL Infosystems Limited**, a company incorporated under the Act, and having, its registered office at 896, Siddharth, 96 Nehru Place, New Delhi -110019; The Registered Office of the Company was shifted from 806 –808 Siddharth, 96, Nehru Place, New Delhi 110 019 to 806 Siddharth, 96 Nehru Place, New Delhi 110 019 with effect from 23rd of September 2003.
- E. **"Amalgamating Company"** means the Demerged Company comprising of the Remaining Business as it would exist following and consequent to the Demerger in terms of Part II of this Scheme;

- F. “Board”** means the Board of Directors of HCL Infinet Limited or Microcomp Limited or HCL Infosystems Limited, as the context may require.
- G. “Demerger”** means the transfer by way of demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company on, going concern basis, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company as set out in Part II hereof,
- H. “Demerger Appointed Date”** means 1st April 2006 or such other date(s) as the Hon'ble High Court may direct or approve;
- I. “Demerged Company”** means **HCL Infinet Limited**, company incorporated under the Act, and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110 019. (The term Demerged Company wherever the context requires shall include its successors in interest and assigns). The Registered Office of the Company was shifted from 806-808, Siddharth, 96, Nehru Place, New Delhi-110 019 to 806, Siddharth, 96, Nehru Place, New Delhi-110 019 with effect from 14th October, 2003.
- J. “Demerger Effective Date”** in relation to Demerger means last of the following dates or such other dates as the Court may direct, namely;
- i. the date on which the certified copy of the order or the High Court under section 394 of the Act is filed with the Registrar of Companies, -NCT of Delhi and Haryana at New Delhi or
 - ii. the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in para 4.3 of this Scheme have been obtained, whichever is later.

References in this Scheme to the date of “coming into effect of the Demerger” or “Demerger becoming” effective” shall mean the Demerger Effective Date;

- K. “Demerged Undertaking”** means the Networking Services Business of Demerged Company, which would be transferred on a going concern basis with effect from Demerger Appointed Date to the Resulting Company, and which shall include (without limitation):
- all the property of or required for the Networking Services Business, wherever situated, whether movable or immovable, tangible or intangible, including all lands, plant and machinery, buildings and structures, warehouses, offices, residential and other premises, vehicles, capital work in progress, furniture, fixtures, office equipment, appliances, accessories;
 - deposits, stocks, assets, sundry debtors, inventories, cash and bank accounts (including balances with banks), bills of exchange, loans, advances (excluding inter divisional balances), contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights) and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, .authorities, allotments, approvals, permits and consents, quotas, rights (including rights under any agreements, or customer contracts, or other contracts or agreements), entitlements, contracts, licenses including but not limited to the licenses issued by Department of Telecommunication to the Demerged Company for carrying on the Networking Services Business, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits and privileges under the Income Tax Act, 1961 and entitlements) and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Networking Services Business of the Demerged Company;
 - all trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, authorizations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds; benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with

or relating to the Networking Services Business of the Demerged Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Networking Services Business of Demerged Company, whether in India or abroad;

- all earnest moneys and/or security deposits paid by Demerged Company in connection or relating to the Networking Services Business; and
- all debt, liabilities, loans, deposits, obligations, provisions, present and future (excluding inter divisional balances), contingent or whatsoever nature, relating to Networking Services Business of Demerged Company.

- L. “Effective Date”** in relation to merger of Amalgamating Company with Amalgamated Company means the date, after the Demerger Effective Date, when actions as are hereinafter referred to in para 4.3 of this Scheme have been duly given effect to by the Demerged Company. References in this Scheme to the date of “coming into effect of the Scheme” or “upon Scheme becoming effective” shall mean the Effective Date;
- M. “High Court”** means the High Court of Delhi at New Delhi or the National Company Law Tribunal or any other relevant authority empowered to approve the Scheme.
- N. “Remaining Business”** means all of the business and divisions/undertakings of the Demerged Company other than those pertaining to the Demerged Undertaking.
- O. “Resulting Company” means Microcomp Limited**, a company incorporated under the Act, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi -110019. The Company was originally incorporated as a private limited company in the name and style or Microcomp Private Limited on 15th September 1975 under the Company Registration No.55-7904, and subsequently changed its name to its present name - Microcomp Limited with effect from 31st January 1977. Pursuant to the Scheme, the name of the Resulting Company shall again be changed to HCL Infinet Limited upon Scheme becoming effective.

1.3. SHARE CAPITAL:

The position of authorized, issued, subscribed and paid up capital of the Companies as on June 30th 2006 is as under:

Name of the Company	Authorised Share Capital	Issued Subscribed and Paid Up Capital
HCL Infosystems Limited	Rs.85,00,00,000/- (Rupees Eighty Five Crores only) consisting of 40,00,00,000 Equity shares of Rs.2/- each aggregating to Rs.80,00,00,000/- and 5,00,000 preference shares of Rs.100/- each aggregating to Rs.5,00,00,000/-	16,87,29,255/- Equity shares of Rs. 2/- each fully paid up aggregating to Rs.33,74,58,510/-
HCL Infinet Limited	Rs.65,00,00,000/- (Rupees sixty five crores only) consisting of 6,50,00,000 equity shares of Rs. 10/- each	1,95,06,757 Equity shares Rs.10/- each fully paid up aggregating to Rs.19,50,67,570/-
Microcomp Limited	Rs.5,00,000/- (Rupees Five Lacs only consisting of 5000 equity shares of Rs. 100/- each.	5000 Equity shares of Rs.100/- each fully paid up aggregating to Rs.5,00,000/-

PART -II

DEMERGER

2.1 Vesting of properties:

- (a) Upon the coming into effect of Demerger and with effect from the Demerger Appointed Date, all the properties, estates and interests of Demerged Company in the Demerged Undertaking in its entirety (including but not restricted to its assets, liabilities, rights, licences, benefits, obligations etc. but excluding inter divisional balances) shall, pursuant to Section 394(2) of the Act and without any further act or deed be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a "going concern" basis, subject to all existing charges, mortgages, encumbrances, if any created/ existing in favour of banks and/ or financial institutions and/or other lenders.
- (b) Without prejudice to sub- clause 2.1(a) above, in respect of such of the assets of the Demerged Undertaking as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may, upon coming into effect: of the Demerger, be so transferred to the Resulting Company without requiring any deed or instrument of conveyance and shall upon such transfer become the property and an integral part of Resulting Company.
- (c) All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Demerger Appointed Date and prior to the Demerger Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in Resulting Company upon coming into effect of the Demerger.

2.2 Licenses and Permissions:

With effect from the Demerger Appointed Date, all statutory licenses including but not limited to Internet Service Provider (ISP) license, National Long Distance (NLD,) license, International Long Distance (ILD) license (granted or applied for), permissions, approvals, sanctions; consents or exemptions, including but not limited to exemptions with respect to sales tax and income tax, relatable to the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without further act or deed, and shall be appropriately mutated/transferred by the concerned authorities in favour of the Resulting Company upon the vesting and transfer of the Demerged Undertaking of Demerged Company, pursuant to this Scheme. The benefit of all such statutory and regulatory permissions, factory licences, environmental approvals and consents including the statutory licences, permissions, approvals, sanctions or consents, and exemptions relatable to the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, sanctions, authorizations, registrations, statutory rights or exemptions as are held by Demerged Company including the statutory licences, permissions or approvals or consents or exemptions relatable directly or indirectly to the Demerged Undertaking shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, sanctions, authorizations, registrations, statutory rights or exemptions, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with Such authorities and licensors after the Demerger becoming effective, so as to facilitate the continuation of operation in the Resulting Company and Demerged Company (or any successor thereof) without hindrance. It is hereby clarified that upon Demerger becoming effective any license issued by the Department of Telecommunication including but not limited to ISP, NLD and/or ILD license pertaining to Demerged Undertaking issued or applied for in the name of Demerged Company shall stand transferred to the Resulting Company, without any further act or deed, as a part of the Demerged Undertaking and till such time the name of the Demerged Company is substituted for Resulting Company, the Resulting Company shall be entitled to carry on the Networking Services Business in the name of Demerged Company.

2.3 Loans and Obligations:

- (a) All debts, liabilities and obligations, excluding inter divisional balances, of the Demerged Company relating to the Demerged Undertaking including the general or multipurpose loans and borrowings of the Demerged Company to the extent specified in sub-clause (b) with effect from the Demerger Appointed Date, whether provided for or not in the books of account of Demerged Company and other liabilities relating to the Demerged Undertaking which may accrue before or after the Demerger Appointed Date, but which relate

to the period upto the day immediately preceding the Demerger Appointed Date, (hereinafter referred to as **the Transferred Liabilities**) shall become the debts, liabilities, duties and obligations of the Resulting Company, upon Demerger becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company (or its successor). The Resulting Company undertakes to meet, discharge and satisfy the same and keep the Demerged Company (or its successor) indemnified against all costs, losses, etc. in future in respect of such debts, liabilities and obligations.

- (b) As regards the general or multipurpose borrowings and liabilities, if any, of the Demerged Company not pertaining to any particular undertaking of the Demerged Company, the aggregate value of such liabilities shall be apportioned in the same proportion which the value of the assets of the Demerged Undertaking (being the aggregate of fixed assets & gross current assets) transferred to the Resulting Company bears to the assets of the Demerged Company as on the Demerger Appointed Date. The liabilities so apportioned shall, without any further act or deed, stand transferred to the Resulting Company, and shall become the liabilities and obligations of the Resulting Company. Resulting Company undertakes to meet, discharge and satisfy the same.
- (c) Where any of the liabilities and obligations of the Demerged Company as on the Demerger Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Demerger Appointed Date and prior to the Demerger Effective Date, such discharge shall be deemed to have been taken for and on account of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Demerger Appointed Date and prior to the Demerger Effective Date shall be deemed to have been raised, used or incurred, for and on behalf of the Resulting Company and to the extent they are outstanding on the Demerger Effective Date shall also without any further act or deed be and stand transferred to the Resulting Company and shall become liabilities of the Resulting Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove.
- (d) In respect of securities over the Transferred Liabilities, if any, concerned, the same shall be dealt with as may be mutually agreed between the Board of Directors of the Demerged Company and the Resulting Company or any committee constituted by the Board of Directors of the respective companies in this regard.
- (e) Without any prejudice to the provisions of the foregoing clauses and with effect from the Demerger Effective Date, the Demerged Company (or its successor) and the Resulting Company shall execute instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi to give formal effect to the above provisions, if required.
- (f) Demerged Company (or its successor) and the Resulting Company shall enter into and execute such further deeds, documents or writings as may be required to give effect to the provisions of this Clause.
- (g) With effect from the Demerger Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities and the Demerged Company (or its successor) shall not have any obligations in respect of the Transferred Liabilities and the Resulting Company shall indemnify the Demerged Company (or its successor) in this behalf.
- (h) It is expressly provided that; save as mentioned in this Clause, no other terms or conditions of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (i) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

2.4 Legal Proceedings:

- (a) All legal or other proceedings by or against the Demerged Company, whether pending on the Demerger Appointed Date or any matter arising before the Demerger Appointed Date, and relating to the Demerged

Undertaking (including those relating to any property, rights, power, liability, obligation) or duty of the Demerged Company in respect of the Demerged Undertaking shall be continued and enforced by or against the Resulting Company. If any proceedings relating to Demerged Undertaking are instituted against the Demerged Company before the Demerger Effective Date, the Demerged Company (or its successor) will defend the same with due notice to the Resulting Company for indemnification from and against all liabilities, obligations, actions, claims and demands in respect thereof. However, after the Demerger Effective Date, the parties hereto shall take appropriate steps to substitute the name of Resulting Company for that of the Demerged Company.

2.5 Business to be carried on in trust for Resulting Company: With effect from the Demerger Appointed Date and upto the Demerger Effective Date:

- (a) the Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and stand possessed of the properties to be transferred to the Resulting Company for and on account of and in trust for Resulting Company.
- (b) All profits accruing to the Demerged Company or losses arising or incurred by it relating to the Demerged Undertaking shall for all purposes, be treated as profits or losses, as the case may be, of the Resulting Company.
- (c) All income, receipts and gains of whatsoever nature and all expenses, payments and losses of whatsoever nature relating to the Demerged Undertaking' pertaining to the period up to the Demerger Appointed Date, which due to any inadvertence or for any reason could not be accounted for or disclosed in the books of the Demerged Company, shall be to the account of the Resulting Company. Similarly all continuing gains/losses, income/expenses, receipts/payments relating to Demerged Undertaking in respect of the period on and after the Demerger Appointed Date shall also accrue to the Resulting Company's account.

2.6 Demerged Company is entitled to various benefits under various incentive schemes and policies in relation to the Demerged Undertaking and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies shall be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever including sales tax and income-tax concessions/exemptions and incentives available to different independent undertakings forming part of the Demerged Undertaking shall be claimed and/or to be claimed by the Resulting Company and these shall relate back to the Demerger Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive scheme and/or policies.

2.7 Filing of relevant intimations with Statutory Authorities:

Since each of the permissions, licences including but not limited to ISP/NLD/ILD license granted, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorizations pertaining to the Demerged Undertaking shall stand vested in the Resulting Company, by the order of sanction of the Scheme by the Hon'ble High Court, the parties shall file the relevant intimations, for the record of the statutory authorities who shall take them on file and endorse the same in the name of the Resulting Company, pursuant to the sanction of the Scheme.

2.8 Revision of various returns:

Demerged Company (or any successor thereof) and the Resulting Company are expressly permitted to revise their Income Tax, Wealth Tax, Sales Tax, Excise and other statutory returns, including without limitation TDS/TCS certificates and the right to claim refunds, advance tax credits etc., on and from the Demerger Effective Date. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Demerger Appointed Date whether by way or deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged Company. Further any tax payments not directly relatable to the Demerged Undertaking shall be apportioned between the Demerged Company and the Resulting Company in the proportion of their taxable income or wealth pertaining to Demerged Undertaking and the Remaining Business respectively or any other appropriate basis as the Board of the Demerged Company and the Resulting Company mutually in their discretion deem fit and proper.

2.9 Demerger to be on a going concern basis:

The demerger of the Demerged Undertaking as a going concern to the Resulting Company is in accordance with Section 2(19AA) of the Income Tax Act, 1961.

2.10 Undertakings:

Demerged Company hereby undertakes, to carry on the business of the Demerged Undertaking from the Demerger Appointed Date upto the Demerger Effective Date in the ordinary course and not to alienate, charge or otherwise deal with or dispose of its assets or any part thereof except in the usual course of business.

2.11 Employees:

- (a) Resulting Company undertakes to engage, on and from the Demerger Effective Date, all permanent employees including the whole time or executive directors of the Demerged Company engaged in the Demerged Undertaking on the same terms and conditions at which these employees are-engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/effectuated by the Demerged Company with all such permanent employees between the Demerger Appointed Date and Demerger Effective Date.
- (b) The Resulting Company undertakes to continue to abide by any agreements/settlements that may be entered into by the Demerged Company in respect of Demerged Undertaking with any union/representatives of the employees of the Demerged Company. Resulting Company agrees that the service of all such employees with the Demerged Company upto the Demerger Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company upto the Demerger Effective Date. Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- (c) The Provident Fund balances accumulated up to the Demerger Effective Date in respect of the employees engaged in the Demerged Undertaking shall either continue to remain in the existing fund and the further contributions shall also be made by the Resulting Company to such fund, if so permitted, or till such time the necessary funds are created by the Resulting Company, contributions shall continue to be made to the existing funds and the accumulated balance in such existing fund shall stand transferred to the new fund to be created by the Resulting Company.
- (d) In so far as the existing gratuity fund and pension and/or superannuation fund trusts and retirement funds or employees state insurance schemes or funds or any other benefits created by the Demerged Company for its employees (including employees of the Demerged Undertaking) are concerned, such proportion of the investments made by the funds which is relatable to the employees pertaining to the Demerged Undertaking as on the Demerger Effective Date, who are being transferred along with the Demerged Undertaking in terms of the Scheme, shall upon Demerger becoming effective, either continue to remain in the existing fund/schemes and the further contributions shall also be made by the Resulting company to such funds/schemes, if so permitted or till such time the necessary funds/schemes are created by the Resulting Company contribution shall continue to be made to the existing funds/ schemes.
- (e) The Resulting Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Resulting Company for Demerged Company

2.12 Object clause

- (a) Clause III(a) of the Memorandum of Association of the Resulting Company shall, upon Demerger coming into effect and without any further act or deed, stand amended by adding the following main object, after sub-clause (3) of Clause III (a) of the Memorandum of Association of the Resulting Company, to be pursued by the Resulting Company

"4. To carry on the business of providing private network products, services, solutions and services related to Electronic Commerce, Web-technologies and, internet including but not limited to hosting, designing,

accessing and application services and to carry on the business of providing and supply of end-to- end information technology solutions, including turnkey solutions, system integration of software, computer peripherals, networking and communication components, cabling, power supply equipment appropriate fixtures metering and monitoring devices, conventional broad-band wireless, wireline and optional communications equipment and providing sights, interactivity etc. for electronic portal solutions and to undertake all activities.”

- (b) The Resulting Company shall file the amended copy or its Memorandum and Articles of Association with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi, within 30 days from the date Demerger-becomes effective, who will register the same.

2.13 Change or name

- (a) In order to maintain corporate identity amongst the Networking Services business customers, the Board of Directors of the Resulting Company in its meeting held on 25.07.2006 has proposed to change the name of the Resulting Company, upon the Scheme becoming “effective to HCL Ininet Limited. Therefore, with effect from the Effective Date the name of the Resulting Company shall forthwith stand changed to HCL Ininet Limited (the then erstwhile name of the Demerged Company) without any further act or deed. The Resulting Company shall pay to the Registrar or Companies requisite fee, which is required to be paid for effecting change of name.
- (b) The Memorandum and Articles of Association of the Resulting Company shall be suitably amended and the Resulting Company shall file the amended copy of Memorandum and Articles of Association with the Registrar of Companies, NCT of Delhi and Haryana at New De1hi, who shall take the same on record and issue a fresh Certificate of Incorporation consequent upon change in the name of Resulting Company.
- (c) the Resulting Company shall be entitled to carry on the business comprised in the Demerged Undertaking in the name of Demerged Company till the name of the Resulting Company is substituted with the name of Demerged Company pursuant to this Scheme and a fresh Certificate of Incorporation is issued by the Registrar of Companies consequent to change of name.

2.14 Saving of concluded transactions:

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature relating to the Demerged Undertaking to which Demerged Company is a party subsisting or having effect immediately before the Demerger Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectively as if the Resulting Company instead of Demerged Company, had been a party thereto.
- (b) The Resulting Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.
- (c) It is clarified that even after the Demerger Effective Date the Resulting Company shall be entitled to realize all monies and to complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking, in the name of Demerged Company in so far as may be necessary until the transfer of rights and obligations of Demerged Company to the Resulting Company under this Scheme finally stands devolved on the parties concerned.
- (d) It is further clarified that even after the Demerger Effective Date, the Resulting Company shall be entitled to use invoices and other stationery, the labeling, packing, advertising and marketing materials for the Networking Services Business which Demerged Company is entitled to use, till such time such existing invoices, stationery, advertising materials, labels, wrappers, etc. are exhausted.

2.15 Issue of shares:

- (a) Upon Demerger becoming effective, and in consideration of the demerger of the Demerged Undertaking to the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to HCL Infosystems Limited, (being the only shareholder holding entire share capital of the Demerged Company) 16,96,810 equity shares in the Resulting company of Rs.100/- each

credited as fully paid-up. The said consideration has been determined on the basis of networth of the Demerged Undertaking arrived at as per management certified balance sheet as on 31st March 2006. The statement of net assets of the Demerged Undertaking as on 31st March 2006 is annexed hereto and marked as Annexure-1 to the Scheme. In case there will be any change in the networth of the demerged Undertaking based on the audited accounts of the Demerged Company, the consideration payable by the Resulting Company, as mentioned in para 2.15(a), above shall stand changed accordingly, Any fractional entitlement arising on account of issuance of shares of Rs.100/- each by the Resulting Company in consideration of the Demerger shall be ignored.

- (b) The new equity shares of the Resulting Company to be issued and allotted in terms of clause 2.15 (a) hereinabove, shall rank pari passu in all respects with the existing equity shares of the Resulting Company save and except that the new equity shares allotted to the shareholders of Demerged Company pursuant to clause 2.15(a) of the Scheme shall be entitled to dividend with effect from the Demerger Effective Date.
- (c) The new equity shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Resulting Company.
- (d) Upon coming into effect of Demerger, the Authorised Equity Share Capital of the Demerged Company shall stand split and reduced by an amount of Rs.35,00,00,000/- (Rupees Thirty Five Crores Only) and such amount by which the authorized share capital has been reduced i.e. Rs.35,00,00,000 (Rupees Thirty Five Crores Only) shall be clubbed with the Authorised Share Capital of the Resulting Company. Consequently the reduced Authorised Share Capital of the Demerged Company shall be Rs.30,00,00,000/- (Rupees Thirty Crores).
- (e) Further, upon Demerger becoming effective, the Authorised Share Capital of the Resulting, Company, consequent to splitting of the Authorised Share Capital of the Demerged Company in terms of sub-clause (d) above, shall, without any further act, deed or action, stand increased by Rs.35,00,00,000/- (Rupees Thirty Five Crores Only). The enhanced Authorised Share Capital of the Resulting Company shall be Rs.35,05,00,000 (Rupees Thirty Five Crores and five Lacs Only) and the Memorandum and Articles of Association of the Resulting Company shall automatically stand amended accordingly and words and figures in Clause V of the Memorandum of Association shall be substituted to-read as follows:

"The Share Capital of the Company is Rs.35,05,00,000/- (Rupees Thirty Five Crores and Five Lacs Only) divided into 35,05,000 (Thirty Five Lacs five Thousand) equity shares of Rs.100/- each."

Similarly Clause 4 of the Articles of Association of the Resulting Company shall be substituted as under:

"The Share Capital of the Company is Rs.35,05,00,000/- (Rupees Thirty Five Crores and Five Lacs Only) divided into 35,05,000 (Thirty Five Lacs Five Thousand) equity shares of Rs.100/- each with power to increase, reduce, consolidate and sub-divide its capital in accordance with the provisions of the Companies Act, 1956."

- (f) The filing fee and stamp duty already paid by the Demerged Company on its Authorised Share Capital, which is being transferred to the Resulting Company in terms of sub-clause (e) hereinabove, shall be deemed to have been so paid by the Resulting Company on the combined Authorised Share Capital and accordingly, the Resulting Company shall not be required to pay any fee/stamp duty on the Authorised Share Capital so increased, However, the Resulting Company shall file the amended copy of its Memorandum and Articles of Association with the Registrar of Companies within 30 days from the Demerger Effective Date and the Registrar of Companies shall take the same on record,

2.16 Accounting Treatment in the books of Resulting Company

- (a) Upon Demerger becoming effective, all the assets and liabilities of the Demerged Undertaking shall be transferred and vest in Resulting Company at the values appearing in the books of Demerged Company at the commencement of the Demerger Appointed Date,
- (b) Resulting Company shall credit to its share capital account in its books of account the aggregate face value of the new shares issued by it to the members of Demerged Company pursuant to this Scheme,

- (c) The excess/deficit of the aggregate value of the assets over the aggregate value of the liabilities of Demerged Undertaking recorded by Resulting Company upon their transfer to and vesting in Resulting Company under the Scheme after adjusting the value of the aggregate shares issued and allotted in terms of clause 2,15 above, by Resulting Company, shall be adjusted by Resulting Company in general reserve account.

2.17 Accounting Treatment in the books of Demerged Company

Upon Demerger becoming effective, the amount of difference between the aggregate value of assets over the aggregate value of liabilities of the Demerged Undertaking, as transferred by Demerged Company to Resulting Company, shall be adjusted in the general reserve account and/or credit balance of profit and loss account of the Demerged Company.

2.18 Remaining business:

- (a) The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to the Amalgamating Company.
- (b) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether pending on the Demerger Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against Demerged Company (or its successor) after the Demerger Effective Date, which shall keep Resulting Company fully indemnified in that behalf. Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against Demerged Company (or its successor).

PART -III

AMALGAMATION

For the sake of clarification, the subject matter of Part-III shall be confined to the Remaining Business.

- 3.1 With effect from the Amalgamation Appointed Date and upon the Scheme becoming effective (i.e. including the Demerger pursuant to this Scheme) and subject to the provisions of the Scheme, including in relation to the mode of transfer/vesting, the Remaining Business of Amalgamating Company including all movable and immovable properties, tangible and intangible properties, assets, buildings, offices, investments of all kinds, lease and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations including registration with Directorate General of Supplies and Disposals, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Amalgamating Company, including but without being limited to patents, trademarks, copyrights and other intellectual property rights of any nature whatsoever, permits, approvals, authorizations, rights to use telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests (hereinafter referred to as "said Assets") shall be and stand vested in and/or be deemed to be and stand vested in Amalgamated Company as going concern pursuant to the provisions of Section 394 of the said Act so as to become on and from the Amalgamation Appointed Date, the estate, assets, rights, title and interests of Amalgamated Company.
- 3.2 Without prejudice to Clause 3.1 above, in respect of such of the said Assets of Amalgamating Company as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred to Amalgamated Company and shall upon such transfer become the property of Amalgamated Company as an integral part of the Remaining Business. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in Amalgamated Company pursuant to an order being made thereof under Section 394 of the Act.
- 3.3 (a) With effect from the Amalgamation Appointed Date and upon the Scheme becoming effective, the land, with the buildings standing thereon, lease hold property belonging to the Remaining Business, if any, held by

Amalgamating Company and any documents of title/rights/membership and easements in relation thereto shall be vested in and transferred to and or be deemed to have been transferred to and vested in the Amalgamated Company and shall belong to the Amalgamated Company.

- (b) With effect from the Amalgamation Appointed Date, the Amalgamated Company shall be liable for ground rent and municipal taxes in relation to properties consisting in the Remaining Business, if any. The mutation of title to the immovable properties comprised in the Remaining Business shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective in accordance with terms hereof in favour of the Amalgamated Company.
- (c) Since the entire issued, subscribed and paid up capital of the Amalgamating Company is held by the Amalgamated Company, the Amalgamated company is not required to issue any shares for such amalgamation either in exchange or otherwise and there shall be no other consideration to be paid or payable by the Amalgamated Company.

- 3.4 (a) Notwithstanding the generality of clause 3.1 above, with effect from the Amalgamation Appointed Date and upon the Scheme becoming effective, all statutory licenses belonging to the Remaining Business including registrations with Directorate General of Supplies and Disposals, permissions, approvals, or consents issued in the name of the Amalgamating Company shall stand vested in or transferred to the Amalgamated Company without any further act or deed, and shall be appropriately transferred/endorsed/mutated by the authorities concerned therewith in favour of the Amalgamated Company. The benefit of all statutory and regulatory permissions, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Remaining Business of the Amalgamating Company, shall vest in and become available to the Amalgamated Company pursuant to the Scheme.
- (b) The tax deducted at source {TDS}/advance tax paid by the Amalgamating Company which pertains to the Remaining Business under the provisions of the Income Tax Act, 1961 in respect of income of the Amalgamating Company from the Amalgamation Appointed Date shall be deemed to be the tax deducted from/advance tax paid by and for the benefit of the Amalgamated Company and credit for such TDS/advance tax shall be allowed to the Amalgamated Company notwithstanding that Certificates/challans for TDS/advance tax are in the name of the Amalgamating Company and not in the name of the Amalgamated Company. Without prejudice to any other rights available to the Amalgamated Company under the Income Tax Act, 1961, the Amalgamated Company shall, after the Effective Date, be entitled to revise the income tax returns, if any, filed, by it or the Amalgamating Company for any year if so necessitated pursuant or consequent to the Amalgamation, notwithstanding that the time prescribed for such revision may have elapsed.
 - (c) The wealth tax, if any, paid by the Amalgamating Company in respect of the valuation date under the Wealth Tax Act 1957, as on 31st March, 2007 or thereafter and relatable to the remaining Business shall be deemed to have been paid by and for the benefit of the Amalgamated Company. Without prejudice to any other right that may be available to it under Wealth Tax Act, 1957, the Amalgamated Company shall, after the Effective Date, be entitled to file the wealth tax return for the valuation date as on 31st March, 2007 or thereafter notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Amalgamated Company shall, after the Effective Date, be entitled to revise the wealth tax returns if any, filed by the Amalgamating Company for any year, notwithstanding that the time prescribed for such revision may have elapsed.
 - (d) Similarly, any other taxes including but not limited to service tax, fringe benefit tax, banking cash withdrawal tax, value added tax, paid by the Amalgamating Company pertaining to the Remaining Business on or after the Amalgamation Appointed Date shall be deemed to have been paid by or for the benefit of the Amalgamated Company. The Amalgamated Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Amalgamation Appointed Date. Further the Amalgamated Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Amalgamating Company for any year, notwithstanding that the time prescribed for such revision may have elapsed.
- 3.5 (a) Since, each of the permissions, approvals, consents, sanctions, remissions, special reservations, 'incentives, concessions and other authorizations of the Amalgamating Company pertaining to the Remaining Business, shall stand transferred by the order of the High Court to the Amalgamated Company, the Amalgamated

Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning courts.

- (b) Without prejudice to generality of the aforesaid, any concessional/statutory forms under the respective Central/State sales/work contract tax/lease tax laws issued/received by the Amalgamating Company pertaining to the Remaining Business in respect of period commencing from the Amalgamation Appointed Date shall be deemed to be issued/received in the name of the Amalgamated Company and benefit of such forms shall be allowable to the Amalgamated Company in the same manner and to the same extent as would have been available to the Amalgamating Company.
- (c) The Amalgamated Company shall, after the Effective Date, be entitled to file the concessional/statutory forms under the respective Central/State sales/work contract tax/lease tax laws with the authorities concerned for the period after the Amalgamation Appointed Date. Further the Amalgamated Company shall; after the Effective Date, be entitled to revise the said forms/returns, filed by the Amalgamating Company for any year, notwithstanding that the time prescribed for such revision may have elapsed.

3.6 On the Scheme becoming effective:

- a. all motor vehicles of any nature whatsoever comprised in or relatable to the Amalgamating Company, shall vest in the Amalgamated Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of the Amalgamated Company.
- b. all patents, trademarks, copyrights and other intellectual property rights registered with the authorities concerned of the Amalgamating Company in respect of Remaining Business or applications submitted at any time on or before the Effective Date by the Amalgamating Company in respect of Remaining Business shall stand transferred and vested in the name of the Amalgamated Company without any further act or deed. The Amalgamated Company, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authority(ies) who shall take them on record pursuant to vesting orders of the sanctioning authority.

3.7 With effect from the Effective Date, the bank accounts of the Amalgamating Company shall be deemed to 'have been transferred in the name of the Amalgamated Company and the concerned banks shall permit the Amalgamated Company to operate the said bank accounts of the Amalgamating Company in the name of Amalgamated Company.

3.8 The Amalgamated Company, at any time after the Effective Date, may execute deeds of confirmation in favour of any party to any contract or arrangement to which the Amalgamating Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Amalgamated Company, through its Board of Directors, shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings to carry out or perform all such formalities or compliance, referred to above on the part of the Amalgamating Company to be carried out or performed.

3.9 Upon the Scheme becoming effective and with effect from the Amalgamation Appointed Date:

- (a) All secured and unsecured debts, liabilities, including contingent liabilities, whether disclosed or undisclosed, duties, taxes and obligations of the Amalgamating Company along with any charge, encumbrance, lien or security thereon (**hereinafter referred to as the "said Liabilities"**) shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Amalgamated Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts liabilities, duties and obligations of the Amalgamated Company, and further that it shall not be necessary to obtain consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- (b) With effect from the Amalgamation Appointed Date and upon the Scheme becoming effective, the Amalgamated Company shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements or instruments and the likes as may be necessary With the creditors, such that the Amalgamated Company shall assume the responsibility for repayment of borrowings allocated to it under the Scheme.
- (c) All debentures, bonds, notes or other securities, other than equity share capital, issued by the Amalgamating Company, if any, either before the Amalgamation Appointed Date or after the Amalgamation Appointed Date

upto the Effective Date (**hereinafter referred to as “Securities”**) shall Without any further act, instrument or deed become securities of the Amalgamated Company and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Amalgamated Company as if it were the Amalgamating Company.

- (d) All the loans and advances extended by the Amalgamating Company to the Amalgamated Company and vice versa, if any, shall stand cancelled and the Amalgamating Company and the Amalgamated Company, as the case may be, shall have no further obligation in that behalf.
- (e) Upon the Scheme becoming effective, the borrowing limits of the Amalgamated Company in terms of section 293(1)(d) of the said Act, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Amalgamating Company which are being transferred to the Amalgamated Company pursuant to this Scheme and the Amalgamated Company would not be required to pass any fresh resolution in this regard.

3.10 (A) With effect from the Amalgamation Appointed Date up to the Effective Date:

- (a) the Amalgamating Company shall carry on and shall be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Remaining Business for and on account of, and in trust for, the Amalgamated Company;
- (b) the Amalgamating Company shall carry on its business and activities with reasonable diligence and business prudence,
- (c) All profits or incomes accruing or arising to the Amalgamating Company or expenditure, or losses arising or incurred by the Amalgamating Company on and after the Amalgamation Appointed Date relating to Remaining Business shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Amalgamated Company, as the case may be.

3.11 Upon the Scheme becoming effective,

- a. all suits, actions and, proceedings by or against the Amalgamating Company pending and/ or arising on the Effective Date shall be continued and be enforced by or Against the Amalgamated Company as effectually as if the same had been pending and/or arising by or against the Amalgamated Company.
- b. The Amalgamated Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

3.12 Upon the Scheme becoming effective, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting on the Effective Date, shall be in full force and effect against or in favour of the Amalgamated Company, as the case may be and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. The Amalgamated Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any arrangements, confirmations or novations to which the Amalgamating Company is a party in order to give formal effect to the provisions of this clause.

3.13 The Amalgamating Company and the Amalgamated Company are entitled to declare and pay dividends, whether interim or final in respect of the accounting period prior to the Effective Date to their respective shareholders.

3.14 Upon the Scheme becoming effective,

- a. All the employees in the service of the Amalgamating Company (other than the employees engaged in the Demerged Undertaking and who are being transferred to the Resulting Company pursuant to clause 2.11 hereof) immediately preceding the Effective Date, shall become employees of the Amalgamated Company on the-basis that:

- (i) Their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.
- (ii) The terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.

- b. It is expressly provided that as far as the provident fund, gratuity scheme, superannuation scheme or any other special scheme(s)/fund(s) created or existing for the benefit of the employees of the Amalgamating Company who are being transferred to the Amalgamated Company pursuant to Part-III of this Scheme, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with provisions of such schemes/funds as per the terms provided in the respective trust deeds to the end and intent that all the rights, duties, powers and obligation of the Amalgamating Company in relation to such schemes/funds shall become those of the Amalgamated Company. It is clarified that the services of such of the employees of the Amalgamating Company will be treated as having been continuous for the purpose of the aforesaid schemes/funds.
- c. The Amalgamated Company undertakes to continue to abide by any agreements(s)/settlement(s) that may be entered into with the labour union/employees by the Amalgamating Company.
- d. The Amalgamated Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Amalgamated Company for the Amalgamating Company.

3.15 The resolutions, if any, of the Amalgamating Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company to the extent necessary and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions of any other statute, then the said limits shall be added and shall constitute the aggregate of the said limits in the Amalgamated Company.

3.16 Upon coming into effect of this Scheme the Authorised Share Capital of the Amalgamating Company, after giving effect to the provisions of clause 2.15 (d) of the Scheme, i.e. Rs.30,00,00,000/- (Rupees Thirty Crores), shall stand combined with the Authorised Share Capital of the Amalgamated Company and the Memorandum and Articles of Association of the Amalgamated Company shall automatically stand amended accordingly and words and figures in Clause V of the Memorandum of Association shall be substituted to read as follows:

"The authorized share capital of the company is Rs.115,00,00,000/- (Rupees One hundred fifteen crores only) divided into 55,00,00,000 (Fifty Five crores) Equity Share of Rs.2/- (Rupees Two) each and 5,00,000 (Five Lakh) Preference Share of Rs.100/- (Rupees One Hundred) each."

Similarly, Clause 5. a. of the Articles of Association of the Amalgamating Company shall be substituted as under:

"The authorised share capital of the company is Rs.115,00,00,000/- (Rupees One hundred fifteen crores) divided into 55,00,00,000 (Fifty Five crores) Equity Share of Rs.2/- (Rupees Two) each and 5,00,000 (Five Lakh) Preference Shares of Rs.100/- (Rupees One Hundred) each with the rights, privileges and condition attached thereto as are provided by the Articles of Association of the Company for the time being and the Company shall have the power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential or other rights, privileges and conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company".

The filing fee and stamp duty already paid by the Amalgamating Company on its Authorised Share Capital, which is being transferred to the Amalgamated Company in terms of this clause, shall be deemed to have been so paid by the Amalgamated Company on the combined Authorised Share Capital and accordingly, the Amalgamated Company shall not be required to pay any fee/stamp duty on the Authorised Share Capital so increased. However, the Amalgamated Company shall file the amended copy of its Memorandum and Articles of Association with the Registrar of Companies within 30 days from the Effective Date and the Registrar of Companies shall take the same on record.

- 3.17 In view of the fact that the entire share capital of the Amalgamating Company is held by the Amalgamated Company, the share capital of the Amalgamating Company shall stand cancelled upon the Scheme becoming effective and there will be no allotment of shares by the Amalgamated Company consequent to the amalgamation as the company cannot allot shares to itself.
- 3.18 Upon the Scheme being effective, the Amalgamated Company shall account for amalgamation/merger in its books as specified hereunder;
- a. After giving effect to the transfer of the Demerged Undertaking, all the said Assets and the said Liabilities recorded in the books of the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company pursuant to the Scheme and shall be recorded by the Amalgamated Company at their carrying amount as appearing in the books of the Amalgamating Company.
 - b. An amount equal to the balance lying in the "Profit and Loss Account", as appearing in the balance sheet of the Amalgamating Company shall be taken over by the Amalgamated Company and included in the balance of its Profit and loss Account.
 - c. As on the Amalgamation Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Amalgamated Company be required, the reserves of the Amalgamating Company will be merged with those of the Amalgamated Company in the same form as appeared in the financial statements of the Amalgamating Company.
 - d. The excess, if any, of the aggregate value of the said Assets reduced by the aggregate value of the said Liabilities, balance in Profit & Loss Account and reserves of the Amalgamating Company, adjustment of inter-se loans and investments, if any, pursuant to the Scheme, as recorded by the Amalgamated Company upon their transfer to and vesting in the Amalgamated Company under the Scheme shall be credited to an "Amalgamation Reserve Account" and the same shall be treated as free reserve forming part of the net worth of the Amalgamated Company.
 - e. In the event that there is a shortfall of the aggregate value of the said Assets reduced by the aggregate value of the said Liabilities, balance in Profit & Loss account and reserves of the Amalgamating Company recorded by the Amalgamated Company upon their transfer to and vesting in the Amalgamated Company under the Scheme, inter se loans and investments pursuant to the amalgamation, the same shall be adjusted first against the general reserve and thereafter from profit & loss account of the Amalgamated Company.
- 3.19 The Amalgamating Company, upon the Scheme becoming effective, shall be dissolved without winding up, subject to an Order being made by the Hon'ble High Court under section 394 of the Companies Act, 1956.

PART IV

OTHER TERMS & CONDITIONS

4.1 Application to the Hon'ble High Court:

HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited shall with all reasonable dispatch make applications/petitions to the Hon'ble High Court under Sections 391 and 394 and other applicable provisions of the Act, for sanctioning the Scheme of Arrangement and for dissolution of the Amalgamating Company (after giving effect to Demerger pursuant to Part-II of this Scheme) without winding up and for convening and/or seeking exemption to convene the meeting of the shareholders and/ or of the creditors, and to obtain all other approvals as may be required under law.

4.2 Modifications/ Amendments to the Scheme

- (a) HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited by their respective Board of Directors either by themselves or by any committee constituted by the Board of Directors or any person(s) authorized by the Board of Directors in this behalf may make or assent from time to time on behalf of all persons concerned to any extension, modification or amendments of this Scheme or any of conditions or limitation which the Hon'ble High Court and/or any authorities/persons may deem fit to approve of or impose or which

may otherwise be considered necessary, desirable or appropriate by the Board of Directors of HCL Infinet Limited and/or HCL Infosystems Limited and/or Microcomp Limited and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.

- (b) For the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited or any committee constituted by the Board of Directors or any person(s) authorized by the Board of Directors in this behalf may give and are authorized to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

4.3 Scheme conditional on Approvals/Sanctions

This Scheme is conditional on and subject to:

- (a) any consent, as may be applicable from the lenders of HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited, if so mandated under the agreements entered into with the lenders.
- (b) the consents by the requisite majority of the shareholders/creditors to the Scheme.
- (c) the sanctions of the Hon'ble High Court being obtained under Sections 391 and 394 and other applicable provisions of the said Act, if so required on behalf of HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited.
- (d) the certified copy of the order of the Hon'ble High Court being filed with the Registrar of Companies, NCT of Delhi and Haryana.

4.4 There is no likelihood that any creditor of HCL Infinet Limited / HCL Infosystems Limited / Microcomp Limited would lose or be prejudiced as a result of the proposed Scheme being passed. The arrangement will in no way costs any additional burden on the shareholders of any of these companies nor will it prejudicially affect the interests of any of the classes of the creditors.

4.5 If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the Hon'ble High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

4.6 Approval of the Scheme under Section 391 & 394 of the Act shall also be deemed to be compliance of the provisions of sections 16, 21, 31, 81(A), 94, 100 to 103 and other applicable provisions of the Act and rules and regulations made there under upon the Scheme becoming effective.

4.7 Effect of non-receipt of approvals/sanctions:

- (a) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/or the order not being passed as aforesaid on or before 30th September 2007 or within such further period or periods as may be agreed upon, by and among HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited, this Scheme shall stand revoked and cancelled and become null and void and be of no effect and in that event, no rights and liabilities whatsoever, shall accrue to or be incurred inter se by HCL Infinet Limited and/or HCL Info systems Limited and/or Microcomp Limited or their shareholders or creditors or employees or any other person.
- (b) In the event any or the conditions that may be imposed by the Hon'ble High Court and/or competent authority which HCL Infinet Limited and/or HCL Infosystems Limited and/or Microcomp Limited may find unacceptable for any reason or Board of Directors of HCL Infinet Limited or HCL Infosystems Limited or Microcomp Limited decides otherwise, then they are at liberty to withdraw from the Scheme.

- (c) If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of HCL Infinet Limited, HCL Infosystems Limited and Microcomp Limited, affect the validity of or implementation or the other part and/or provisions or this Scheme.

4.8 Expenses Connected with the Scheme:

The Amalgamated Company shall bear all costs, charges and expenses in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the terms in pursuance of this Scheme.

HCL INFINET LIMITED

Statement of Net Assets of Networking Division as on 31st March 2006

	Rs. Lacs
ASSETS	
Net Fixed Assets	807.40
INVESTMENTS	1013.44
Current Assets, Loans & Advances	
Debtors	394.30
Inventories	13.51
Cash and Bank Balance	204.25
Other Current Assets	836.60
Total Assets	3269.50
LESS:	
Current Liabilities & Provisions:	1572.69
Net Assets	1696.81

SCHEDULE

PART-I

1. **Short description of the freehold property of the Demerged company (HCL Infinet Limited) being transferred to the Resulting Company (Microcomp Limited)**

Nil

2. **Short description of the freehold property of the Amalgamating company (HCL Infinet Limited) being transferred to the Amalgamated Company (HCL Infosystems Limited)**

Freehold propertly bearing office No.311, having an area of 428 sq. ft. (build up area) equivalent to 39.78 sq. metres or thereabouts on the third floor of the building known as "Tulsiani Chambers" consisting of ground and 10 upper floor belbhging to Tulsiani Chambers Premises Co-operative Society Limited situate, lying and being at Plot No. 212, Block III, Nariman Point, Mumbai -400021

PART- II

1. **Short description of the leasehold property of the Demerged company (HCL Infinet Limited) being transferred to the Resulting Company (Microcomp Limited)**

Nil

2. **Short description of the leasehold property of the Amalgamating company (HCL Infinet Limited) being transferred to the Amalgamated Company (HCL Infosystems Limited)**

Nil

PART- III

1. **Short description of all stocks, shares, debentures and other charges in action of the Demerged company (HCL Infinet Limited) being transferred to the Resulting Company (Microcomp Limited)**

Nil

2. **Short description of all stocks, shares, debentures and other charges in action of the Amalgamating company (HCL Infinet Limited) being transferred to the Amalgamated Company (HCL Infosystems Limited)**

5000 equity shares of Microcomp Ltd. of Rs.100/- each.

600 equity shares of Stermac Engineering Pvt. Limited of Rs.1000/- each.

3. **Indicative list of licence, exemption, certificates and statutory approvals under various applicable laws to be transferred from the Demerged company (HCL Infinet limited) to the Resulting Company (Microcomp limited)**

a) ISP-license no. 820-377/2002-LR dated 9-04-2002

b) NLD-license no.1 0-05/06-B~-1 (NLD-07) dated 11.07.2006

c) ITSP-license no. 820-377/2002-LR dated 09-04-2002

d) VPN-license. It is being provided under NLD license.

e) WIRELESS PERMISSION: DPL Llicence No. wpc/DPL/O21-027.. D/L no. 1-14037/21103-LR/2548, D/L L-14037/21/03-LR/6495, D/L no. L-14035/03/04-LR/6495

f) CALL CENTRE :Domestic call centre no.10-58/2001-osp dated 06.12.2001

g) BGs 1.07 BG 11460014/03/2000, 2-00078 [REDACTED] 3-0007 BG 000684054-0007 BG 00049906

4. **Indicative list of license, exemption, certificates and statutory approvals under various applicable laws to be transferred from the Amalgamating company (HCL Infinet limited) to the Amalgamated Company (HCL Infosystems limited)**
- a) DGS&D-RATE CONTRACT-DELHI
 - b) UPDI-RATE CONTRACT-U.P.
 - c) BOMBAY MANTRALYA RATE CONTRACT-MAHARASHTRA
 - d) NIC/NICSI-DELHI-RATE CONTRACT
 - e) HILTRON-RATE CONTRACT, DEHRADUN
 - f) HATRON-RATE CONTRACT, HARYANA
 - g) HPSDC-RATE CONTRACT-HIMACHAL PRADESH
 - h) GB PANT UNIVERSITY-RATE CONTRACT
 - i) IIT-CHHENAI-RATE CONTRACT
 - j) RATE CONTRACT WITH OTHER LOCAL BODIES

Dated this the 20th day of March, 2007
(By order of the Court)

Joint Registrar (Co.)

IN THE HIGH COURT OF DELHI AT NEW-DELHI

COMPANY PETITION NO. 246 OF 2007

CONNECTED WITH

COMPANY APPLICATION (M) NO. 122 OF 2007

IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTION 391 AND 394

OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF

MEMO OF PARTIES

STELMAC ENGINEERING PRIVATE LIMITED, a company incorporated under the Companies Act 1956 and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi -110019.

TRANSFEROR COMPANY/

PETITIONER COMPANY-I

WITH

HCL INFOSYSTEMS LIMITED, a company incorporated under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi – 110019.

TRANSFeree COMPANY/

PETITIONER COMPANY-II

THROUGH

Sd/-

KAVITA JHA

Vaish Associates, Advocates

Advocates for the Petitioners

Flat No.5 - 7,

10, Hailey Road

New Delhi - 110001

Phone No. 011 42492525

E-mail id:kavita@vaishlaw.com

PLACE: New Delhi

DATED: October, 2007

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

OF

COMPANY PETITION NO. 246/2007

CONNECTED WITH

COMPANY APPLICATION (M) NO. 122/2007

IN THE MATTER OF

M/s. Stelmac Engineering Pvt. Ltd.,
having its Regd. Office at 806, Siddharth,
96, Nehru Place, New Delhi-110019

Petitioner/Transferor Company

WITH

IN THE MATTER OF

M/s. HCL Infosystems Ltd.,
having its Regd. Office at 806, Siddharth,
96, Nehru Place, New Delhi-110019

Petitioner/Transferee Company

**BEFORE HON'BLE MS. JUSTICE REKHA SHARMA
DATED THIS THE 7TH DAY OF DECEMBER, 2007**

ORDER UNDER SECTION 394 OF THE COMPANIES ACT. 1956

The above petition coming up for hearing on 7/12/2007 for sanction of scheme of amalgamation proposed to be made of M/s. Stelmac Engineering Pvt. Ltd. (hereinafter referred to as the Transferor Company) with M/s. HCL Infosystems Ltd. (hereinafter referred to as the Transferee Company), upon reading the said petition, the order dt. 24/7/2007 whereby the requirement of convening and holding the meeting of the equity shareholders and unsecured creditors of the Transferor Company and equity shareholders of the Transferee Company was dispensed with and the meetings of secured and unsecured creditors of the Transferee Company were ordered to be convened for the purpose of considering and if thought fit approving with or without modification, the Scheme of amalgamation annexed to the affidavit of Sh. Sushil Kumar Jain, authorised signatory of the petitioner companies filed on 6th day of July, 2007 and the publication in the newspapers namely (1) Statesman (English) and (2) Veer Arjun (Hindi) both dt. 14/8/2007 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dt. 24/7/2007, the affidavits of Sh. S.N. Gupta and Sh. S.M. Chopra, Chairpersons filed on 11/9/2007 showing the publication and dispatch of the notices convening the said meetings, the reports of the Chairpersons of the said meetings as to the result of the said meetings and upon hearing Ms. Kavita Jha, Advocate for the petitioners, Ms. Manisha Tyagi, Advocate for the Official Liquidator and Mr. R. D. Kashyap, Dy. Registrar of Companies in person and it appearing from the reports that the proposed scheme of amalgamation has been approved unanimously without any modification by the said secured and unsecured creditors of the Transferee Company present and voting either in person or by proxy and upon reading the affidavit dated 4/12/2007 of Sh. Rakesh Chandra, Regional Director, Northern Region, Ministry of Company Affairs, Noida on behalf of Central Government stating that the scheme provides for Accounting Treatment in detail but there is no mention whether the petitioner companies have complied with the Accounting Standard-14 issued by the Institute of Chartered Accountants of India. Therefore, the petitioner company is required to comply with the Accounting

Treatment as prescribed under the Accounting Standard-14 issued by the Institute of Chartered Accountants of India. Responding to the above, the petitioner company has given an undertaking that it would comply with the Accounting Treatment as prescribed under the Accounting Standard-14 issued by the Institute of Chartered Accountants of India; and considering the affidavit of Sh. A. K. Chaturvedi, Official Liquidator filed on 3/12/2007 stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its shareholders or creditors or to public interest; and there being no investigation proceedings pending in relation to the petitioner companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION setforth in Schedule-I annexed hereto subject to the compliance of the undertaking given by the petitioner Company and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor and Transferee Companies and all concerned and Doth approve the said scheme of amalgamation with effect from the appointed date i.e. 1/4/2007.

AND THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Company specified in the First, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
4. That there will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Company with the Transferee Company as the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company or its nominees which shall stand cancelled upon the scheme becoming finally effective; and
5. That the Transferor Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly. It is clarified that this order will not be construed as an order granting exemption from payment to stamp duty if payable; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary; and
7. That the scheme of amalgamation has been sanctioned and it has been ordered that the cost of Rs.20,000/- has to be paid by the petitioners to the Official Liquidator, which, will be deposited in the Common Pool Fund of the Official Liquidator.

**SCHEME OF AMALGAMATION
OF
STELMAC ENGINEERING PRIVATE LIMITED
WITH
HCL INFOSYSTEMS LIMITED**

PART I - GENERAL

1. This Scheme of Amalgamation (hereinafter referred to as the “**Scheme**”) provides for the Amalgamation of Stelmac Engineering Private Limited with HCL Infosystems Limited. The Scheme is made pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (“the Act”).

2. **DEFINITIONS**

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below;

- (a) “Act” means the Companies Act, 1956 or any statutory amendments thereto or re-enactment thereof.
- (b) “Appointed Date” for the purposes of the Scheme means April 1, 2007 or such other date(s) as the Honorable High Court may direct.
- (c) “Effective Date” shall be the last of the following dates or such other dates as the Court may direct, namely:
 - (i) the date on which certified copies of the Order of the High Court under Section 394 of the Act are filed with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi, or
 - (ii) the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in Clause 5.3 of this Scheme have been obtained, whichever is later.

References in this Scheme to the date of the “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective date.

- (d) “High Court” means the High Court of Delhi at New Delhi or National Company Law Tribunal or any other relevant authority empowered to approve the Scheme.
- (e) “Scheme” means the Scheme of Amalgamation in its present form with any amendment or modifications approved or imposed or directed by the shareholders or creditors and/or by the Honorable High Court or any other relevant authority.
- (f) “Transferor Company” means Stelmac Engineering Private Limited, a company incorporated under the provisions of the Act and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi – 110019. The Transferor Company is the wholly owned subsidiary of the Transferee Company.
- (g) “Transferee Company” means HCL Infosystems Limited which is a listed public limited company registered under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi – 110019.
- (h) All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory amendments thereto or re-enactment thereof.

PART II - SHARE CAPITAL

3. The position of the authorized, issued, subscribed and paid up capital of the Transferor and Transferee Company as on 31st March, 2007 is as follows:

PART III - THE SCHEME

- 4.1 With effect from the Appointed Date and subject to the provisions of the Scheme, including in relation to the mode of transfer or vesting, the entire business and undertakings of the Transferor Company including all movable and immovable properties, tangible and intangible properties, assets, buildings, offices, investments of all kinds, lease and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, if any of whatsoever nature and wherever situated belonging to or in the ownership, power

Name of the Company	Authorized Share Capital	Issued Subscribed and Paid Up Capital
Stelmac Engineering Private Limited. ("Transferor Company")	Rs.10,00,000/- (Rupees Ten Lacs Only) consisting of 1000 Equity Shares of Rs.1000/- each.	Rs.6,00,000/- (Rupees Six Lacs Only) consisting of 600 Equity Shares of Rs.1000/- each.
HCL Infosystems Limited ("Transferee Company")	Rs.1,15,00,00,000/- (Rupees One Hundred Fifteen Crore Only) consisting of 55,00,00,000 Equity Shares of Rs.2/- each aggregating to Rs.1,10,00,00,000/- and 5,00,000 Preference Shares of Rs.100/- each aggregating to Rs.5,00,00,000/-	Rs.33,81,01,400 (Rupees Thirty Three Crore Eighty One Lac One Thousand Four Hundred Only) consisting of 16,90,50,700 Equity Shares of Rs.2/- each.

or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to intellectual property rights of any nature whatsoever, permits, approvals, authorizations, rights to use telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests (hereinafter referred to as "said Assets") shall be and stand vested in and/or be deemed to be and stand vested in the Transferee Company as a going concern pursuant to the provisions of Section 394 of the said Act so as to become on, and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.

- 4.2 All the said Assets that have accrued or which may accrue to the Transferor Company on or after the Appointed Date shall pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and be available to the Transferee Company.
- 4.3 Without prejudice to Clause 4.1 and 4.2 above, after the scheme becomes effective, in respect of such of the said Assets of the Transferor Company as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred to the Transferee Company and shall upon such transfer become the property and an integral part of the Transferee company. In respect of such of the said assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under Section 394 of the Act.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, the land, with the buildings standing thereon, if any, held by Transferor Company, and any documents of title or rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. The mutation of title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective in accordance with terms hereof in favour of the Transferee Company.
- 4.5 (a) Notwithstanding the generality of Clause 4.1 and 4.4 above, with effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals, or consents required to carry on operations in the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be duly and appropriately mutated or endorsed by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.

- (b) The tax deducted at source (TDS)/advance tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such TDS/advance tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.
 - (c) The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, not withstanding that the time prescribed for such revision may have elapsed.
 - (d) The wealth tax, if any, paid by the Transferor Company in respect of the valuation date under the Wealth Tax Act 1957, as on or after the Appointed date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the valuation date as on 31st March, 2008 or thereafter notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns if any, filed by the Transferor Company in respect of the valuation date 31st March, 2008 or thereafter, notwithstanding that the time prescribed for such revision may have elapsed.
 - (e) Similarly, any other taxes including but not limited to service tax, fringe benefit tax, banking cash transaction tax, value added tax, paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date, notwithstanding that the time prescribed for filing such return may have elapsed. Further the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, notwithstanding that the time prescribed for such revision may have elapsed.
- 4.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Honorable Court to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.
- 4.7 On the coming into effect of the Scheme:
- (a) all motor vehicles of any nature whatsoever comprised in or relatable to the Transferor Company as the case may be, shall vest in the Transferee Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Transferee Company as if the vehicles had originally been registered in the name of Transferee Company.
 - (b) all patents, trademarks, copyrights, if any, registered with the authorities concerned or applications submitted at any time on or before the Effective Date by the Transferor Company shall stand transferred and vested along with the undertaking in the name of Transferee Company without any further act or deed. The Transferee Company, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authority(ies) who shall take them on record pursuant to vesting orders of the sanctioning authority.
- 4.8 With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in its name, in so far as may be necessary.
- 4.9 The Transferee Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.

4.10 Upon the coming into effect of the Scheme and with effect from the Appointed Date:

- (a) All secured and unsecured debts, liabilities including contingent liabilities, whether disclosed or undisclosed, duties, taxes and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- (b) With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall take all steps reasonably necessary to enter into new or amended loan or security agreements or instruments and the likes as may be necessary with the creditors, such that the Transferee Company shall assume the sole responsibility for repayment of borrowings allocated to it under the Scheme.
- (c) All debentures, bonds, notes or other securities, other than equity share capital, issued by the Transferor Company, if any, either before the Appointed Date or after the Appointed Date until the Effective Date (hereinafter referred to as "Transferor's Securities") shall without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of the Transferor's Securities so transferred.
- (d) In respect of the shares issued by the Transferor Company and held by the Transferee Company, the same shall stand cancelled as of the Effective Date, and shall be of no effect and the Transferor and Transferee Companies, shall have no further obligation outstanding in that behalf. Similarly, all the loans and advances extended by the Transferor Company to the Transferee Company and/or vice versa shall also stand cancelled and the Transferor Company and the Transferee Company, as the case may be, shall have no further obligation in that behalf.

4.11 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

4.12 (A) With effect from the Appointed Date up to and including the Effective Date:

- (a) the Transferor Company shall carry on and shall be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said assets for and on account of, and in trust for, the Transferee Company;
 - (b) the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.
- (B) All profits or incomes accruing or arising to the Transferor Company or expenditure, or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company on and after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

4.13 Upon the coming into effect of this Scheme, all suits, actions and legal proceedings, if any, by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

4.14 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

- 4.15 There will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Company with the Transferee Company as the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company or its nominees which shall stand cancelled upon the Scheme becoming finally effective.
- 4.16 The Transferee Company is entitled to declare and pay dividends, whether interim or final in respect of the accounting period prior to the Effective Date.
- 4.17 Upon the coming into effect of this Scheme:
- (a) Employees, if any, in the service of the Transferor Company immediately preceding the Effective Date shall become employees of the Transferee Company on the basis that:
 - (i) their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.
 - (ii) the terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.
 - (b) It is expressly provided that as far as the provident fund, gratuity scheme, superannuation scheme or any other special scheme(s) or fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, related to the administration or operation of such schemes and intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes.
 - (c) The Transferee Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Company.
- 4.18 The resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company
- 4.19 Upon the Scheme being effective, the Transferee Company shall account for amalgamation or merger in its books as specified hereunder;
- (a) All the said Assets, said Liabilities and the reserves recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Company.
 - (b) The debit balance in the "Profit and Loss Account", as appearing in the balance sheet of the Transferor Company shall be taken over by the Transferee Company and shall be adjusted in the balance of its Profit and loss Account.
 - (c) The excess, if any, of the aggregate value of the said Assets and debit balance in Profit and loss account over the aggregate value of the said Liabilities and reserves of the Transferor Company recorded by the Transferee Company upon their transfer to and vesting in the Transferee Company under the Scheme shall be credited to an "Amalgamation Reserve Account" and the same shall be treated as a free reserve forming part of the net worth of the Transferee Company.
 - (d) The loans and investments given / made by the Transferee Company to / in the Transferor Company shall be cancelled in the books of the Transferee Company and the same shall be adjusted against the Revaluation Reserve Account. The difference, if any, shall be adjusted against the Amalgamation Reserve Account.

4.20 The Transferor Company, upon coming into effect of this Scheme, shall be dissolved without winding up, subject to an Order being made by the Honorable High Court under Section 394 of the Companies Act, 1956.

PART IV OTHER CONDITIONS APPLICABLE TO THE SCHEME

5.1 Application to Honorable High Court;

- (a) The Transferor Company and the Transferee Company shall with all reasonable dispatch make the application or petition to the Honorable High Court under Sections 391 and 394 and other applicable provisions of the Act, for sanctioning the Scheme of Amalgamation and for dissolution of the Transferor Company without winding up and for convening and/or seeking exemption to convene the meeting of the shareholders and/or of the creditors, and to obtain all other approvals as may be required under law.

5.2 Modifications or Amendments to the Scheme

- (a) The Transferor Company and the Transferee Company by their respective Board of Directors either by themselves or by any committee constituted by the Board of Directors in this behalf may make or assent from time to time on behalf of all persons concerned to any extension, modification or amendments of this Scheme or any of conditions or limitation which the Court and/or any authorities or persons may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.
- (b) For the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of the Transferee Company or any committee constituted by the Board of Directors in this regard may give and are authorized to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

5.3 Scheme conditional on Approvals or Sanctions

This Scheme is conditional on and subject to:

- (a) the consents by the requisite majority of the shareholders and creditors of the Transferor and Transferee Company to the Scheme, if required;
- (b) the sanction of the Honorable High Court being obtained under Sections 391 and 394 and other applicable provisions of the said Act, if so required on behalf of the Transferor Company and the Transferee Company;
- (c) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme.
- (d) the certified copies of the orders referred to in this Scheme of the Honorable High Court being filed with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

5.4 There is no likelihood that any creditor of the Transferor Company / Transferee Company would lose or be prejudiced as a result of the proposed Scheme being sanctioned. The amalgamation will in no way cost any additional burden on the shareholders of any of these Companies nor will it prejudicially affect the interests of any of the classes of the creditors.

5.5 If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the Hon'ble High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

5.6 Effect of non-receipt of Approvals or Sanctions:

- (a) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Honorable High Court and/or the order(s) not being passed as aforesaid on or before 31st march, 2008 or within such further period or periods as may be agreed upon by and between the Board of Directors of Transferor Company and the Transferee Company, this Scheme shall stand revoked and cancelled and become null and void and be of no effect.
- (b) In the event any of the conditions that may be imposed by the Court and/or competent authority which the Transferor Company and/or the Transferee Company may find unacceptable for any reason or Board of Directors of the Transferor Company or Transferee Company decides otherwise, then they are at liberty to withdraw from the Scheme.
- (c) If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of or implementation of the other part and/or the provisions of this Scheme.

5.7 Expenses Connected with the Scheme:

All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the terms in pursuance of this Scheme shall be borne and paid by the Transferee Company alone.

IN THE COURT OF JUDICATURE AT DELHI

ORIGINAL COMPANY JURISDICTION

COMPANY APPLICATION NO. 122 OF 2007

In the matter of the Companies Act, 1956

In the matter of Sections 391-394 of the Companies Act, 1956

In the matter of Scheme of Amalgamation of Stelmac Engineering Private Limited having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi - 110 019, with HCL Infosystems Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi - 110 019

In the matter of Stelmac Engineering Private Limited)
a Company incorporated under the Companies) Applicant / Transferor Company
Act, 1956 and having its registered office at)
806, Siddharth, 96 Nehru Place, New Delhi.)

SCHEDULE

PART- I

- 1. Short description of the freehold property of the Transferor Company (Stelmac Engineering Private Limited) being transferred to the Transferee Company (HCL Infosystems Limited)**

Freehold property bearing office No. CTS No. 360, Village Marol, Andheri (East), Mumbai Suburban District, Old Military Road, Mumbai-400059 having an area (build up area) equivalent to 3103 sq. metres or thereabouts of the building known as "Stelmac House" consisting of ground and three floors belonging to Stelmac Engineering Private Limited situate, lying and being at CTS No. 360, Village Marol, Andheri (East), Mumbai Suburban District, Old Military Road, Mumbai - 400059

PART- II

- 2. Short description of the leasehold property of the Transferor Company (Stelmae Engineering Private Limited) being transferred to the Transferee Company (HCL Infosystems Limited)**

Nil

PART – III

- 1. Short description of all stocks, shares, debentures and other charges in action of the Transferor Company (Stelmac Engineering Private Limited) being transferred to the Transferee Company (HCL Infosystems Limited)**

All current assets, cash/bank balances and other miscellaneous assets as per the books of accounts of the Transferor Company and other rights, liberties, easements and advantages.

Dated this the 7th day of December, 2007
By order of the Court

Sd/-
Dy. Registrar (Co.)

**IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN
JAIPUR BENCH, JAIPUR
COMPANY JURISDICTION**

COMPANY PETITION NO. 8 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 6 OF 2009

IN THE MATTER OF COMPANIES ACT, 1956

AND

**IN THE MATTER OF SECTION 391 AND 394
OF THE COMPANIES ACT, 1956**

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF

NATURAL TECHNOLOGIES PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at E-26, Sidharth Nagar, Malviya Nagar, Jaipur, Rajasthan-302017

TRANSFEROR COMPANY

WITH

HCL INFOSYSTEMS LIMITED, a company incorporated under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019.

TRANSFeree COMPANY

NATURAL TECHNOLOGIES PRIVATE LIMITED

...PETITIONER COMPANY

**Before the Hon'ble Acting Chief Justice R. C. Gandhi
Dated 29.5.2009**

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

Upon the above petition coming on for further hearing on 29.5.2009 and upon reading etc. and upon hearing etc.

THIS COURT DOTH ORDER :

1. That all the property, rights and powers of the Transferor Company specified in the First, Second and Third parts of the Schedule-I hereto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and

4. That there will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Company with the Transferee Company as the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company or its nominees which shall stand cancelled upon the scheme becoming effect; and
5. That the Transferor Company do within 14 days after the date of this order cause a certified copy of this to be delivered to the Registrar of Companies for Registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without the process of winding up and the Registrar of Companies of the Transferor Company shall transfer all the documents relating to the Transferor Company to the Registrar of Companies having jurisdiction over the Transferee Company; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary; and

Schedule-I

SCHEDULE OF ASSETS OF TRANSFEROR COMPANY

PART I

(Short description of the freehold property of the transferor companies)

NIL

PART II

(Short description of the leasehold property of the transferor companies)

Sl. No.	PARTICULARS OF LAND AND BUILDING THEREON
1.	Leasehold property bearing plot no. G-215, F-214, Sitapura Industrial Area, Jaipur, 302 022 (INDIA) consisting of ground floor, pantry and store room belonging to Rajasthan State Industrial Development & Investment Corporation Ltd.

PART III

(Short description of all stocks, shares, debentures and other charges in action of the transferor companies)

All movable, tangible and intangible properties, assets, buildings, offices, investments of all kinds, lease and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, patents, trademarks, copyrights and other intellectual property rights of any nature whatsoever, permits, approvals, authorizations, rights to use telephones, telexes, facsimile, connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests.

Schedule-II
SCHEME OF AMALGAMATION
OF
NATURAL TECHNOLOGIES PRIVATE LIMITED
(Transferor Company)
WITH
HCL INFOSYSTEMS LIMITED
(Transferee Company)

PART I – INTRODUCTION, DEFINITIONS & INTERPRETATION, PURPOSE

1.1 INTRODUCTION

This Scheme of Amalgamation (hereinafter referred to as the “**Scheme**”) provides for the Amalgamation of Natural Technologies Private Limited with HCL Infosystems Limited. The Scheme is made pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (“**the Act**”).

1.2 DEFINITIONS AND INTERPRETATION

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below;

- (a) “**Act**” or “**the Act**” means the Companies Act, 1956 or any statutory amendments thereto or re-enactment thereof for the time being in force;
- (b) “**Appointed Date**” for the purposes of this Scheme means July 1, 2008 or such other date as the Honorable High Courts may direct;
- (c) “**Board**” or “**Board of Directors**” means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;
- (d) “**Effective Date**” shall mean the date on which certified copies of the orders of the Honorable High Court under Section 394 of the Act are filed with the Registrar of Companies NCT of Delhi and Haryana at New Delhi and the Registrar of Companies, State of Rajasthan, Jaipur (“**ROC**s”).

References in this Scheme to the date of the “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective date;

- (e) “**High Court**” means the Honorable High Court of Delhi at New Delhi having jurisdiction in respect of the Transferee Company and Honorable High Court of Judicature of Rajasthan at Jaipur having jurisdiction in respect of the Transferor Company and shall include National Company Law Tribunal or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.

The term “High Court” shall mean either of the High Courts and the term “High Courts” shall mean both the High Courts as the context may require;

- (f) “**Scheme**” or “**the Scheme**” or “**this Scheme**” means the Scheme of Amalgamation in its present form, with or without any amendment or modifications, as approved for sanction by the High Courts;
- (g) “**Transferor Company**” means Natural Technologies Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at E-26, Sidharth Nagar, Malviya Nagar, Jaipur, Rajasthan - 302017. The Transferor Company is the wholly owned subsidiary of the Transferee Company;
- (h) “**Transferee Company**” means HCL Infosystems Limited which is a listed public limited company registered under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96 Nehru Place, New Delhi-110019;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory amendments thereto or re-enactment thereof.

1.3 PURPOSE

The Transferor Company is engaged in the business of developing software products for Indian banking sector, having clients from various PSU, private sector, co-operative sector and regional rural sector banks. The Transferee Company is India's premier information enabling and Information Communication Technology ("ICT") System Integration company offering a wide spectrum of ICT products that includes computing, storage, networking, security, telecom, imaging and retail. The Transferee Company is a one-stop-shop for all the ICT requirements of any organization. The banking software products of Transferor Company are an integral part of solutions offered by Transferee Company to Banking, Financial Service and Insurance ("BFSI") customers and hence it would be more feasible if the Transferor Company is merged into the Transferee Company. Independent operation of Transferor and Transferee Company leads to significant overlaps in the business plans and overheads and the amalgamation would bring the expertise, banking products, technology, facilities under one roof. The amalgamation shall channelise synergies and shall lead to optimum utilisation of the available resources and shall result in economies of scale. Further, the amalgamation would also enable consolidation and further expansion of the Transferee Company. The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the business. The amalgamation will provide the Transferee Company a strong and focused base to undertake the business more advantageously and thereby enabling the increase in its profitability and net worth of its shareholders.

PART II – SHARE CAPITAL

- 2.1 The position of the authorized, issued, subscribed and paid up capital of the Transferor and Transferee Company as on May 31, 2008 is as follows:

Name of the Company	Authorized Share Capital	Issued Subscribed and Paid Up Capital
Natural Technologies Private Limited. ("Transferor Company")	Rs.50,00,000/- (Rupees Fifty Lacs Only) consisting of 5,00,000 Equity Shares of Rs.10/- each.	Rs.48,48,560/- (Rupees Forty Eight Lacs Forty Eight Thousands Five Hundred Sixty Only) consisting of 4,84,856 Equity Shares of Rs.10/- each.
HCL Infosystems Limited ("Transferee Company")	Rs.1,15,00,00,000/- (Rupees One Hundred Fifteen Crore Only) consisting of 55,00,00,000 Equity Shares of Rs. 2/- each aggregating to Rs. 1,10,00,00,000/- and 5,00,000 Preference Shares of Rs.100/- each aggregating to Rs.5,00,00,000/-	Rs.34,22,47,452 (Rupees Thirty Four Crore Twenty Two Lac Forty Seven Thousand Four Hundred Fifty Two Only) consisting of 17,11,23,726 Equity Shares of Rs.2/- each.

- 2.2 It is provided that till the Scheme becomes effective both the companies i.e. Transferor and the Transferee Company, are free to increase their share capital as required by respective businesses, including but not limited to enhancement of capital by issuing stock options to their employees, subject to the necessary approvals from their respective Boards and shareholders, if required.

PART III – THE SCHEME

- 3.1 With effect from the Appointed Date and subject to the provisions of the Scheme, including in relation to the mode of transfer or vesting, the entire business and undertakings of the Transferor Company including all movable and immovable properties, tangible and intangible properties, assets, buildings, offices, investments of all kinds, lease and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, if any of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to intellectual property rights of any nature whatsoever, permits, approvals, authorizations, rights to use telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests (hereinafter referred to as "said Assets") shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company as a going concern pursuant to the provisions of Section 391 read with 394 of the said Act and all other applicable provisions of the Act so as to become on, and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.

- 3.2 All the said Assets that have accrued or which may accrue to the Transferor Company on or after the Appointed Date shall pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to have been transferred to and vested in and be available to the Transferee Company.
- 3.3 Without prejudice to Clause 3.1 and 3.2 above, after the Scheme becomes effective, in respect of such of the said Assets of the Transferor Company as are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred to the Transferee Company and shall upon such transfer become the property and an integral part of the Transferee Company. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under Section 394 of the Act.
- 3.4 With effect from the Appointed Date and upon the Scheme becoming effective, the land, with the buildings standing thereon, if any, held by Transferor Company, and any documents of title or rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. The mutation of title to the immovable properties shall be made and duly recorded by Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) and/or such appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective in accordance with terms hereof in favour of the Transferee Company.
- 3.5 (a) All the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, and other benefits or valid, effective and enforceable on the same terms and conditions to the extent permissible under law and shall be duly and appropriately mutated or endorsed by the authorities concerned therewith in favour of the Transferee Company.
- (b) The tax deducted at source (TDS)/advance tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such TDS/advance tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- (c) The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme; notwithstanding that the time prescribed for such revision may have elapsed.
- (d) The wealth tax, if any, paid by the Transferor Company in respect of the valuation date under the Wealth Tax Act, 1957, on or after the Appointed Date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the valuation date as on March 31, 2009 or thereafter notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns if any, filed by the Transferor Company for any year if so necessitated or consequent to this Scheme; notwithstanding that the time prescribed for such revision may have elapsed.
- (e) Similarly, any other taxes including but not limited to service tax, fringe benefit tax, banking cash transaction tax, value added tax, sales tax, paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date, notwithstanding that the time prescribed for filing such return may have

elapsed. Further the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

- (f) Without prejudice to generality of the aforesaid, any concessional or statutory forms under the laws of the Central or State Sales Tax or Value Added Tax (**VAT**), or local levies issued or received by the Transferor Company, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.

3.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Honorable Courts to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

3.7 On the coming into effect of the Scheme:

- (a) all motor vehicles of any nature whatsoever comprised in or relatable to the Transferor Company as the case may be, shall vest in the Transferee Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Transferee Company as if the vehicles had originally been registered in the name of Transferee Company.
- (b) all patents, trademarks, copyrights, if any, registered with the authorities concerned or applications submitted at any time on or before the Effective Date by the Transferor Company shall stand transferred and vested along with the undertaking in the name of Transferee Company without any further act or deed. The Transferee Company, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authority(ies) who shall take them on record pursuant to vesting orders of the sanctioning authority.

3.8 With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in its name, in so far as may be necessary.

3.9 The Transferee Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.

3.10 Upon the coming into effect of the Scheme and with effect from the Appointed Date:

- (a) All secured and unsecured debts, liabilities including contingent liabilities, whether disclosed or undisclosed, duties, taxes and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. It is clarified that in so far as the said Assets of the Transferor Company are concerned, the security or charge over said Assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company, shall, without any further act or deed continue to relate to such Assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor Company and the Transferee Company are party, and consistent with the joint obligations assumed by them under such arrangement.
- (b) With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall take all steps reasonably necessary to enter into new or amended loan or security agreements or instruments and the likes as may be necessary with the creditors, such that the Transferee Company shall assume the sole responsibility for repayment of borrowings allocated to it under the Scheme.

- (c) All debentures, bonds, notes or other securities, other than equity share capital, issued by the Transferor Company, if any, either before the Appointed Date or after the Appointed Date until the Effective Date (hereinafter referred to as "Transferor's Securities") shall without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of the Transferor's Securities so transferred.
 - (d) Loans, advances, including capital advances, and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party.
 - (e) In respect of the shares issued by the Transferor Company and held by the Transferee Company, the same shall stand cancelled as of the Effective Date, and shall be of no effect and the Transferor and Transferee Companies, shall have no further obligation outstanding in that behalf. Similarly, all the loans and advances extended by the Transferor Company to the Transferee Company and/or vice versa shall also stand cancelled and the Transferor Company and the Transferee Company, as the case may be, shall have no further obligation in that behalf.
- 3.11 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 3.12 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company
- 3.13 (a) With effect from the Appointed Date up to and including the Effective Date:
- (i) the Transferor Company shall carry on and shall be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said Assets for and on account of, and in trust for, the Transferee Company;
 - (ii) the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.
- (b) All profits or incomes accruing or arising to the Transferor Company or expenditure, or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company on and after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.
- 3.14 (a) Upon the coming into effect of this Scheme, all suits, actions and legal proceedings, if any, by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.
- (b) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 3.15 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever

necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

- 3.16 There will be no issue and allotment of shares by the Transferee Company in consideration of amalgamation of the Transferor Company with the Transferee Company as the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company or its nominees which shall stand cancelled upon the Scheme becoming finally effective
- 3.17 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give format effect to the above provisions. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
- 3.18 Upon the coming into effect of this Scheme:
- (a) All the permanent employees in the service of the Transferor Company immediately preceding the Effective Date shall become employees of the Transferee Company on the basis that:
 - (i) their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.
 - (ii) the terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.
 - (b) It is expressly provided that as far as the provident fund, gratuity scheme, superannuation scheme or any other special scheme(s) or fund(s) created or existing, if any, for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, related to the administration or operation of such schemes and intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes.
 - (c) The Transferee Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Company.
- 3.19 Upon the Scheme being effective, the Transferee Company shall account for amalgamation or merger in its books as specified hereunder:
- (a) All the said Assets and the said Liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the Transferor Company.
 - (b) An amount equal to the balance lying in the "Profit and Loss Account" as appearing in the balance sheet of the Transferor Company shall be taken over by the Transferee Company and included in the balance of its Profit and Loss Account.
 - (c) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of the Transferee Company be required, the reserves including the securities premium account, revaluation reserve account of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statements of the Transferor Company.
 - (d) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact on account of change in the accounting policy to achieve uniformity on account of amalgamation will be quantified and adjusted in the revenue reserve(s) to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy.

- (e) The excess, if any, of the aggregate value of the said Assets reduced by the aggregate value of the said Liabilities, balance in Profit & Loss Account and reserves of the Transferor Company after adjustment of inter-se loans and investments, if any, pursuant to the Scheme, recorded by the Transferee Company upon their transfer to and vesting in the Transferee Company under the Scheme shall be credited to an "Amalgamation Reserve Account" and the same shall be treated as reserve forming part of the net worth of the Transferee Company. However, in case of reverse situation, after recording the necessary entries as envisaged in para (a) to (c) hereinabove, the difference shall be first adjusted against the revaluation reserve account and the balance, if any, shall be adjusted from the profit & loss account and free reserve of the Transferee Company.

PART IV – OTHER CONDITIONS APPLICABLE TO THE SCHEME
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- 4.1 (a) With effect from the date of filing of this Scheme with the High Court and upto and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.
- (b) Until the coming into effect of this Scheme, the shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.
- 4.2 Upon the coming into effect of this Scheme:
- (a) the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall be continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.
- (b) the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the said Act, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme and the Transferee Company will not be required to pass any fresh resolution(s) in this regard.
- 4.3 Transferor Company and the Transferee Company shall with all reasonable dispatch, make all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.
- 4.4 (a) The Transferor Company and the Transferee Company (acting through their respective Board) may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Boards of Directors of the Transferor Company and the Transferee Company deem fit, and/or which the High Court and/or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.
- (b) Transferor Company and the Transferee Company shall have the discretion to withdraw their application/petition from the Hon'ble High Court, if any, onerous terms or other terms not acceptable to them are introduced in the Scheme whether at the meetings of shareholders/creditors or at the time of sanction of the Scheme. They shall

also be at liberty to render the Scheme ineffective by not filing the certified order of the sanctions of the Scheme with ROCs. However, the necessary intimation may be filed by both the Transferor and the Transferee Company with Hon'ble High Court of their decision not to file the Scheme and make it effective.

- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as it the same were specifically incorporated in this Scheme.

4.5 This Scheme is conditional upon and subject to:

- (a) the consents by the requisite majority of the shareholders and creditors of the Transferor and Transferee Company to the Scheme, if required and the requisite orders of the Hon'ble High Court sanctioning the Scheme in exercise of the powers vested in it under the Act;
- (b) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme, and
- (b) The certified copies of the High Court order being filed with relevant ROCs.

4.6 In the event of this Scheme failing to take effect finally this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.

4.7 If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the Hon'ble High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors of the Transferor Company and the Transferee Company, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

4.8 The Transferor Company shall be dissolved without winding up with effect from the date on which the certified copy of the Order, under Section 394 of the Act, of the Hon'ble High Court of Delhi sanctioning the Scheme is filed with the ROC.

4.9 The approval to this Scheme under Sections 391 and 394 of the Act by the shareholders and/or creditors of the Transferor and Transferee Companies, shall be deemed to have the approval of the shareholders and/or creditors, as the case may be, under the applicable provisions of the Act, rules and regulations made there under.

4.10 All costs, charges and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

Dated this 30th day of June, 2009

(By the Court)

Registrar

IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN

JAIPUR BENCH, JAIPUR

COMPANY JURISDICTION

COMPANY PETITION NO. 8 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 6 OF 2009

IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTION 391 AND 394

OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF

NATURAL TECHNOLOGIES PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at E-26, Sidharth Nagar, Malviya Nagar, Jaipur, Rajasthan-302017

TRANSFEROR COMPANY

WITH

HCL INFOSYSTEMS LIMITED, a company incorporated under the Companies Act, 1956, and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019.

TRANSFeree COMPANY

NATURAL TECHNOLOGIES PRIVATE LIMITED

...PETITIONER COMPANY

**PETITION TO SANCTION THE SCHEME OF AMALGAMATION
BETWEEN NATURAL TECHNOLOGIES PRIVATE LIMITED
AND HCL INFOSYSTEMS LIMITED**

To,

S. B. Civil Company Petition No. 8/09
Hon'ble Mr. R. C. Gandhi, Actg. C.J.

Date of Order : 29.5.2009

Mr. Sandeep Taneja } for the petitioner

Mr. Satwinder Singh }

Mr. Kamalakar Sharma for the Regional Director

(Oral)

This petition has been presented under Section 391 to 394 of the Companies Act, 1956 (for short, "the Companies Act"), seeking sanction of the Scheme of Amalgamation by the Court.

The Scheme of Amalgamation proposes merger of the petitioner transferor company into transferee company on the terms and conditions stipulated in it. The Board of Directors of the petitioner transferor company have approved the Scheme in its Meeting held on 13.6.2008.

Petitioner Company filed Company Application No. 6/2009 before this Court under Sections 391 and 393 of the Companies Act seeking holding of meetings of their respective shareholders and creditors. This Court vide order dated 6.2.2009 has directed to convene separate meetings of the shareholders and secured and unsecured creditors of the petitioner company on 28.3.2009 at F-214, G-215, EPIP, Sitapura Industrial Area, Jaipur. The meetings were held by the Chairman appointed by this Court. In their respective meetings, the shareholder, secured and unsecured creditors unanimously approved the Scheme of Amalgamation. It is also stated that no proceedings under Sections 235 to 251 of the Companies Act are pending against the petitioner company.

Notices have been served upon the Official Liquidator and Regional Director, Ministry of Corporate Affairs, Noida and also published in the News-papers. The Official Liquidator has no objection. However, the Regional Director has raised objection that the petitioner company be asked to furnish an undertaking that it shall comply with the Accounting Treatment as prescribed under Accounting Standard 14 i.e. "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India. It is submitted by the learned counsel of the petitioner company that in its rejoinder it has been undertaken to comply with the Accounting Treatment as prescribed under Accounting Standard 14. Under these circumstances the Scheme of Amalgamation is sanctioned, which shall be binding on the shareholders and Creditors of the Company and on the petitioner Company.

The Registrar is directed to draw formal order in Form No. 42 of the Companies (Court) Rules, 1959.

The petition stands disposed of accordingly.

(R. C. Gandhi), Acting C.J.

IN THE HIGH COURT OF DELHI

COMPANY APPLICATION (MAIN) NO.124/2008

Date of decision: 11th August, 2008.

In the matter of
The Companies Act, 1956:

And

**Applications under Sections 391(1) &
394 of the The Companies Act, 1956**

Scheme of Amalgamation between:

M/s. Natural Technologies Pvt. Ltd.Non-Applicant / Transferor Company

AND

M/s. HCL Infosystems Ltd. Applicant / Transferee Company

**Through Mr. Satwinder Singh with
Mr. NPS Chawla & Ms. Divya Suman,
Advocates for the applicants**

GITA MITTAL, J (Oral)

1. Learned counsel submits that the applicants have, in fact, prayed for dispensation of filling of 2nd Motion under Section 391 of the Companies Act, 1956 for the reason that the scheme of amalgamation is between the applicant-transferee company and its wholly owned subsidiary company and there is no impact on the assets or liabilities of the transferee company or on the rights of the secured and unsecured creditors. He submits that by an oversight the prayer to this effect was not incorporated in the petition as filed and makes an oral request to add this prayer. He is permitted to make the necessary addition in hand in court.
2. The present application has been filed under Section 391(1) & 394 of the Companies Act, 1956 (hereinafter referred to as 'the Act') filed by M/s HCL Infosystems Ltd. (hereinafter referred to as the 'applicant / transferee company'). The parties before this court seek approval of a Scheme of Amalgamation proposed between them.
3. The applicant-transferee company was incorporated on 17th April, 1986 with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi. The registered office of M/s. HCL Infosystems Ltd. Applicant-transferee company is located at New Delhi, which is within the jurisdiction of this court. A copy of the Memorandum & Articles of Association of the company have been placed on record.
4. The registered office of the transferor company is located at Rajasthan, which is outside the jurisdiction of this Court. Learned counsel for the transferee company submits that the appropriate steps have been taken for approval of the scheme of amalgamation from the concerned High Court exercising jurisdiction over the said transferor company.
5. The authorised share capital of the applicant-transferee company as on 30th June, 2008 was Rs. 1,10,00,00,000/- divided into 55,00,00,000 equity shares of Rs. 2/- each and Rs. 5,00,00,000/- divided into 5,00,000 preference shares of Rs.100/- each. The issued subscribed and paid up shares capital of the transferee company is Rs. 34,22,99,312/- consisting of 17,11,49,656 equity shares of Rs. 2/- each. The applicant/transferee company has 30418 shareholders, 1 secured creditor and 4035 unsecured creditors as on 30.06.2008.
6. A copy of the Scheme of Amalgamation has been placed on record. It is submitted that the meetings of the shareholders, secured and unsecured creditors of the transferee company are not necessary in view of the fact that the transferor company is the profit making wholly owned subsidiary of transferee company and the rights of the equity shareholders, secured creditors and the unsecured creditors of the transferee company would not be affected by the proposed Scheme of Amalgamation. It has been submitted that the scheme of Amalgamation is in the best interest of the transferor and transferee companies, their shareholders and secured creditors as well as unsecured creditors and moreover the Scheme does not in any way prejudice the interest of its constituents.
7. The board of directors of the applicant-transferee company in its separate vide Board of Resolution dated 10th June, 2008 have resolved to approve the proposed Scheme of Amalgamation. Copies of the resolutions passed by the transferee company has been placed on record.

8. Learned counsel for the applicant urged that there is non necessary of making a separate application by the transferee company under sections 394 and 391 of the Companies Act for sanction of the Scheme of Amalgamation as the scheme postulates amalgamation of the transferee company with its wholly owned subsidiary. In this behalf, it would be useful to consider the judicial precedents on the subject which would bind adjudication in such a case. In the mater of **Nanglamal Sugar Limited (Nanglamal) Vs. Mawana Sugars Limited** in CA(M) 141/2005 decided by this Court on 27th September, 2005, it has been held thus:-

“CA 1349/05 is filed by along with this petition in which prayer made is to dispense with the holding of the meeting of the shareholders and creditors of the Transferee Company as well as filing of the petition by the transferee company. It is, inter alia, stated that since the transferee company is the 100% holding company of the transferor company, the proposed scheme of amalgamation does not entail or envisage any arrangement with the shareholders of the transferee company. The transferor company is wholly owned subsidiary of the Transferee Company and in any event, neither the shareholders nor the creditors of the Transferee Company are affected. In such a case, there would not be any requirement for the Transferee Company to file any application / petition under Section 391 to 394 of the Companies Act, 1956 and in support of this plea reliance is placed on the following judgments of different High Courts including judgment of this Court:

9. My attention is drawn to the pronouncement in **Andhra Bank Housing Finance Ltd. In re, (2004) 118 Comp Cas.295** (paras 18 & 19), the court has held as under:-

“18. a consistent view has been taken by the Bombay High Court, that if the scheme of amalgamation is in between the subsidiary and holding company, the holding company need not file a separate application. In the first instance, holding company, namely, Andhra Bank obtained the necessary permission from the Reserve Bank of India as it is governed by the provisions of Banking Companies Regulation Act, 1949. The proposed scheme of amalgamation is not in any manner prejudicial to the members of either the subsidiary or holding companies or prejudicial to public interest. It does not affect the rights of the members of the transferee company or its creditors. The scheme to be sanctioned is the self-same scheme either for the transferor company or for the transferee company. The subsidiary company here is the 100% subsidiary of the Andhra Bank. For the above reasons, in my considered view, there is nothing to file a separate application by the holding company seeking sanction of the scheme.

19. For the foregoing reasons, I see no legal impediment for according necessary sanction for the scheme of amalgamation between a subsidiary company and the holding company and the petition is, therefore, ordered.”

10. In **Mahaamba Investments Ltd. Vs. IDI Limited (2001), 105 Comp. Gas.16**, the court has held this:-

“4. in the present case, having regard to the relevant clauses of the proposed scheme and particularly the provisions whereby non new shares are sought to be issued to the members of the transferor-company by the transferee-company, the scheme will not affect the members of the transferee-company. The Creditors of the transferee company are not likely to be affected by the scheme in view of the financial position of the transferee-company. In paragraphs 13 and 14 of the affidavit in support of the company application, the financial position of transferor and transferee-companies has been set out and which would show that in so far as the transferor-company is concerned, it has an excess of assets over liabilities to the extent of Rs. 508 lakhs whereas in the case of the transferee-company, there is an excess of assets over liabilities to the extent of Rs. 6,900 lakhs.

5. In the circumstances, the office objection is accordingly disposed of with the clarification that filing of a separate petition by the transferee-company is not necessary. In the facts and circumstances of the present case.

11. The same issued arose for consideration before the High Court of Andhra Pradesh in the case titled **Nebula Motors Ltd. (CP No. 1/2003) decided on 23.04.2003**. It was held that:-

“7. The Registrar of Companies in his affidavit inter alia, however, mentioned that since the transferor company is at Hyderabad and Transferee Company is at New Delhi, the scheme shall have to be sanctioned by both the High Courts at Hyderabad and Delhi; and that the transferee company has not filed any such application.

9. The only point, therefore, that arises for my determination in this Company Petition is as to whether it is necessary for the transferee company to seek the sanction of the Scheme from the appropriate High Court?

11. A perusal of the said provision (Section 391 of the Companies Act, 1956) shows that where the application is filed before the Court for its sanction of an arrangement proposed between the transferor company and the transferee company and from the arrangement if it is shown that the scheme for the amalgamation of any two or more companies and the properties or liabilities of any company concerned with the scheme are to be transferred. The Company Court in its order make a provision for the transfer of the properties or liability from the transferor company to the transferee company; for the continuation of legal policies, or other like interests; for the continuation of legal proceedings pending by or against the transferor company; for the dissolution without winding up of any transferor company; and such incidental or consequential and supplemental matters that are necessary for the reconstruction of the amalgamation of the companies. Under the two provisos incorporated under Sub-section (1), conditions have been set forth for the consideration of the Court for sanctioning such a scheme, namely, that such a scheme for amalgamation of a company which is being wound up shall not be sanctioned until and unless the Court has received a report from the company Law Board or the Registrar to the effect that the affairs of the company have not been conducted in a manner

prejudicial to the interest of its members or to public interest; and until and unless the Official Liquidator has made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interest of its members or to public interest. No other conditions have been set forth except the two referred to supra for the consideration of the Court before sanctioning the scheme. If those two conditions are satisfied from a perusal of the reports filed by the Registrar of companies and the Official Liquidator, the scheme shall have to be automatically sanctioned. Nothing in this section which shows that an application is got to be made by the transferor company as well as the transferee company separately having regard to the fact that the proposed scheme shall not be prejudicial to the interests of the members of the company or to public interest.

14. It is mentioned in the petition that it is not necessary to file an application by the transferee company. The learned counsel appearing for the petitioner company seeks to place reliance upon a Judgment of the Bombay High Court in *Mahaamba Investments Ltd. V. IDI Ltd.* [2001] 105 Comp. Cas. 16, 33 SCL 383; a Judgment of the Delhi High Court *Sharat Hardware Industries (P.) Ltd., In re* [1978] 48 Comp. Cas. 23, a Judgment of the Bombay High Court in *Bank of India Ltd. V. Ahmedabad Mfg. & Calico Printing Co. Ltd.* [1972] 42 Comp. Cas. 211 and unreported Judgments of the Bombay High Court *Voltas International Ltd., In re*; and *Scheme of Amalgamation of Clique Holdings (P.) Ltd., In re*.
20. Having regard to the parameters enunciated by the Apex Court in *Miheer H. Mafatlal's Vs. Mafatlal Industries Ltd.* (1996) 87 Comp. Cas. 792 the sanctioning Court has to consider that the scheme put up for sanction is backed up by the requisite majority vote as required by Section 391(2) of the Act; and that the said scheme is not violative of any provision of law and is not contrary to public policy; and that the members or creditors of the company have acted bona fide and in good faith and have not coerced the minority in order to promote any interest adverse to the minority; apart from the indicia laid down by the Apex Court as to whether the scheme does affect the members or its creditors either because it involves reorganization of the share capital or otherwise as laid down by the Bombay High Court in *Bank of India Ltd.'s* case (supra). For examining any of these parameters, the facts of the case and the proposed scheme of amalgamation are got to be seen. It is no doubt true that whether the rights of the members or any class of them or the creditors or any class of them of the transferee company would in any way be affected under the proposed scheme, has to be seen by the sanctioning Court within whose territorial jurisdiction the transferee company is situate. However, on an examination of the scheme any of the two Courts in whose territorial jurisdiction the transferor company as well as the transferee company are situate can consider whether the proposed scheme involves reorganization of the share capital or otherwise. Well, in the proposed scheme, if such reorganization of the share capital is not there and when the 100 per cent subsidiary company is seeking to amalgamate with its holding company where the scheme is not detrimental in any manner to the interests of the members or creditors of the transferee company, in my considered view, that there is no need to examine the scheme by the Court within whose territorial jurisdiction the transferee company is situate. In that view of the matter, the sanctioning Court which has been approached by the transferor company can just examine the scheme and see whether it does effect the rights of the members or creditors of the transferee company as it either because it involves reorganization of its share capital or otherwise and in the process the Court can certainly come to the conclusion that whether it is a case where the application is got to be presented before the Court for sanctioning of the scheme insofar as the transferee company is concerned. Having regard to the same, I am of the considered view that it is not trenching upon the jurisdiction of any other Court by the sanctioning Court which has been approached by the transferor company and it is well within its purview.

Coming to the facts of the instant case, the scheme does not involve any reorganization or restructuring of the shares of the members of the transferee company. Therefore, the rights of the members of the transferee company have not been in any manner touched upon. It is nothing but the amalgamation of the subsidiary company with the holding company for the convenience of the business and for efficient administration. Therefore, for the reasons discussed hereinabove, there is no need for the transferee company to approach the Court for necessary sanction of the scheme."

12. Again ***In the matter of Sharat Hardware Industries Ltd. (1978) 48 Comp. Cas. 23***, it has been held as follows:-

" I also noticed that the transferor-company (the petitioner) was a wholly-owned subsidiary company of the transferee-company and, therefore, it was not necessary for the transferee-company to approve the scheme. The reason I reached this conclusion was that Section 391 of the Act deals with two special cases: (a) when there is a compromise or arrangement between a company and its creditors or any class of them and (b) where the compromise or arrangement is between a company and its members or any class of members. Considered from the point of view of the petitioner-company there is a scheme affecting the members of the company because as a result of the scheme, the transferor-company will cease to exist and will be fully merged in the transferee-company. When the scheme comes into operation, the shareholders of the petitioner-company will cease to have any shares in the petitioner-company; therefore, there is a compromise between the petitioner-company and its shareholders. Considered from the point of view of the transferee-company, there is no such proposal. The assets and liabilities of the petitioner-company will be appropriated under the scheme by the transferee company, the shareholding and other rights of the members of the transferee-company will be unaffected, because no new shares are being issued and there is not going to be any change in the capital structure of the transferee-company. These are facts which are ascertainable on an analysis of the scheme; therefore, the scheme or arrangement considered from the point of view of the transferee-company is not a scheme or arrangement coming within

the field of operation of Section 391 and does not seem to require the approval of creditors or a subsequent sanction by the court. Now, two other cases have been brought to my notice in which the question whether the transferee-company is also required to approve the scheme, has been considered. Those two cases are in re Carron Tea Co. Ltd. [1966] 2 Com. Lj 278 (Cal) decided by the Calcutta High Court and in re Union Services Private Ltd. [1973] 43 Comp. Case 319 (Mad) decided by the Madras High Court; although both these cases are somewhat different on facts, the decision in both cases was that the scheme does require the approval of the transferee-company under Section 391 of the Act. In both cases there was some change affecting the members or creditors of the transferee-company. That position is not true in the present case. The point that requires analysis is whether, in law, the present scheme requires that approval of the transferee-company, because if it does, it would be pointless approving the scheme which could not be carried into effect qua the transferee-company.

5. For this purpose, it is necessary to keep in view the essential features of a scheme or arrangement. In essence, a scheme is a contract between two or more parties. It requires the necessary approval in accordance with Section 391 of the Act, if it is a scheme covered by that provision, otherwise any other contract entered into by a company does not require such approval. The essential features of the present scheme under consideration are that two companies are merging with each other, therefore, it is a contract between companies. Such a contract does not require the approval of the court. But as one of these companies will merge into the other and will thereafter have to be dissolved under Section 394 of the Companies Act, 1956, considered from the point of view of that company which is to cease to exist, the scheme or arrangement between the two companies is also a scheme or arrangement between the transferor-company and its shareholders and creditors, etc. That is why the scheme requires to be placed for consideration in the manner required by Section 391. It also requires the sanction of the court. Seen from the point of view of the transferee-company, the agreement is essentially a contract which does not affect the creditors or members of the transferee-company in any manner. Therefore, the scheme does not require to be sanctioned from the point of view of the transferee-company under Section 391 of the Act. However, if the scheme had some flaws whereby the rights of the transferee-company were affected, it would require the approval of those persons at a meeting or meetings held in accordance with Section 391 and would also require the sanction of the court having jurisdiction which in this case would be the Calcutta High Court."

The prayer made in this CA is accordingly allowed and it is declared that there is no necessity for the transferee company to file any petition under Section 391 to 394 of the Companies Act."

13. Learned counsel for the transferee company has also placed reliance on an order dated 12th September, 2006 passed by this court in C.A. (M) No. 151/2006 in the matter of HCL Infinet Limited.
14. From the facts placed before this court and an examination of the scheme of amalgamation, it has been pointed out that the transferor company is profit making wholly owned subsidiary of the transferee-company and no arrangement is proposed with the equity shareholders, secured and unsecured creditors of the transferee company. All rights of the equity shareholders and the secured and unsecured creditors would remain the same. As per the scheme, there shall be no issuance or allotment of shares of the transferee company in consideration of the amalgamation of the transferor company with the transferee company as the entire issued / subscribed and paid up share capital of the transferor company is held only by the transferee company or its nominees. Upon the scheme becoming finally effective, the issued / subscribed and paid up share capital of the transferor company shall stand cancelled.
15. So far as the approval of the scheme of amalgamation by the shareholders, secured and unsecured creditors of the transferor company is concerned, the applicant has stated that Natural Technologies Pvt. Ltd. is having its registered office at Jaipur in the State of Rajasthan and a separate application with regard to the proposed amalgamation is being moved before the High Court of Judicature of Rajasthan at Jaipur having jurisdiction with regard to the transferor company.

In view of the settled principles of law noticed hereinabove, inasmuch as upon the scheme being effectuated, the transferor company would cease to exist. It would be necessary to have appropriate sanction of the scheme from the High Court of Rajasthan at Jaipur in respect of the transferor company.

16. So far as the transferee company is concerned, as per the facts noticed hereinabove, nothing prejudicial to the interests of the members of the company or to public interest has been pointed out. In the light of the principles laid down in paras 14 and 20 of Nebula Motors Ltd., nothing further is required to be done by the transferee company.
17. In view of the above discussion, the requirement to convene and hold meetings of the transferee company is consequently dispensed with. The requirement to publish citations in the case of the transferee company is also dispensed with.
18. The present application is allowed in the above terms.

Dasti

August 11, 2008
rds

Sd/-
GITA MITTAL, J

IN THE HIGH COURT OF DELHI AT NEW DELHI

DASTI

No. 21821/I DHC

Dated 25-09-13

From:

The Registrar
Delhi High Court
New Delhi.

To:

Mr. Rishi Aggarwal, Advocate for the Petitioners

Sub. CP No. 404/2013

In the Matter of : HCL Infosystems Ltd. & Ors.

Sir,

I am directed to forward herewith a copy of order passed by Hon'ble Company Judge on 18.09.2013 for information and necessary compliance.

Please acknowledge receipt.

Yours faithfully

Sd/-
Harish Kumar
24.9.13
for Admn. Officer (J) (CO. Br.)
for Registrar General

IN THE HIGH COURT OF DELHI AT NEW DELHI

CO. PET. No. 404/2013

HCL Infosystems Limited & OrsPetitioners

Through: Mr. S. Ganesh, Sr. Advocate with Mr. Rishi Agrawal and Mr. Rajeev Kumar, Advocates for the Petitioners

Mr. K.S. Pradhan, Dy. Registrar of Companies for the Regional Director

Mr. S. B. Gautam, the Official Liquidator

CORAM:

HON'BLE MR. JUSTICE R.V. EASWAR

**ORDER
18.09.2013**

1. This second motion joint petition has been filed under Section 391 to 394 of the Companies Act, 1956 ('Act') by the Petitioners seeking sanction of the Scheme of Arrangement ('Scheme') between HCL Infosystems Limited (Petitioner company 1), HCL System Integration Limited (Petitioner company 2), HCL Care Limited (Petitioner company 3), HCL Learning Limited (Petitioner company 4) and HCL Infocom Limited (Petitioner company 5) [hereinafter collectively referred to as 'Petitioner companies'] and their respective shareholders and creditors.
2. The registered offices of the Petitioner companies are situated at New Delhi, within the jurisdiction of this Court.
3. The details of the dates of incorporation of the Petitioner companies, their authorized, issued, subscribed and paid up capital have been set out in the petition.
4. The copies of the Memorandum and Articles of Association as well as the latest audited annual accounts for the year ended 30th June 2012 of the Petitioner companies 1 & 5 and unaudited provisional accounts as on 31st March 2013 of the Petitioner companies 2, 3 & 4 have been placed on record.

5. The copies of the resolutions passed by the Boards of Directors ('BoDs') of the Petitioner companies approving the Scheme have also been placed on record with the petition.
6. Learned counsel for the Petitioners submits that no proceedings under Sections 235 to 251 of the Act are pending against the Petitioner companies.
7. The Petitioner companies had earlier filed CA (M) No. 67 of 2013 in this Court seeking directions for dispensation of requirement of convening the meetings of the equity shareholders and unsecured creditors of the Petitioner companies 2, 3, 4 & 5 and for directions for convening the meeting of the equity shareholders, secured creditors and the unsecured creditors of the Petitioner company 1. By order dated 22nd May 2013, this Court allowed the application and dispensed with the requirement of convening the meetings of the equity shareholders and unsecured creditors of the Petitioner company 2, 3, 4 & 5. Further, this Court directed to convene the meeting of the equity shareholders, secured creditors and the unsecured creditors of the Petitioner company 1. Pursuant to the direction of this Court the proposed meetings were convened on 20th July 2013. The chairpersons appointed in the said meeting submitted their report whereby it has been stated that the proposed scheme was approved by the equity shareholder, secured creditors and the unsecured creditors of the Petitioner company 1 with the requisite majority.
8. The Petitioner companies have thereafter filed the present petition seeking sanction of the Scheme. By order dated 6th August 2013, notice of the Petition was directed to be issued to the Registrar of Companies (ROC), Central Government (RD) and the Official Liquidator (OL). Citations were also directed to be published in 'Indian Express' (English) and 'Jansatta' (Hindi). An affidavit of service and publication dated 26th August 2013 has been filed by the Petitioners showing compliance regarding service of the Petition and also regarding publication of citations in the aforesaid newspapers on 16th August 2013. Copies of the newspaper cuttings, in original, containing the publications have also been filed along with the said affidavit.
9. Pursuant to the notices issued, the OL sought information from the Petitioner companies. Based on the information received, the OL has filed his report dated 17th September 2013 wherein he has stated that he has not received any complaint against the proposed Scheme from any person/party interested in the Scheme in any manner and that the affairs of the Petitioner company 5 do not appear to have been conducted in a manner prejudicial to the interest of its members, creditors or to public interest.
10. The OL in Para no. 16 of his report has observed that the Petitioner company 1 is a listed company, therefore, the Petitioner companies may be directed to comply the provisions of Securities and Exchange Board of India (SEBI).
11. In response to the above said observation the Petitioners has filed rejoinder affidavit dated 18th September 2013, wherein the Petitioner company 1 undertakes to comply with the provisions of the SEBI, as applicable.
12. In response to the notices issued, the RD has filed his affidavit dated 17th September 2013. Relying on Clause 10.1 of Part-II of the Scheme, he has stated that all the staff/employees of the Demerged company (Petitioner company 1) engaged in "Hardware Solutions Business Undertaking, Services Business Undertaking and Learning Business Undertaking" and as per Clause No 22.1 of Part-III of the Scheme all the staff/employees of the Transferor company (Petitioner company 5) shall become the employees of the Transferee company (Petitioner Company I) without any break or interruption in their services upon sanctioning the Scheme.
13. Further, the RD has observed as follows:
 - i. *As there is no mention whether the Petitioner companies have complied with Accounting Standard-14 (AS-14) issue by the Institute of Chartered Accountants of India (ICAI), the Petitioner companies may be asked to comply with/adopt accounting treatment as prescribed under (AS-14) issue by the ICAI.*
 - ii. *As certain charges are proposed to be transferred from the Demerged company (Petitioner company 1) to the Resulting companies (Petitioner companies 2, 3 & 4), the RD submits that a company cannot be substituted in the charge documents as such for satisfaction of charge, the company is required to file form no. 17.*
 - iii. *It is submitted by the RD that Section 391/394 of the Act is made applicable in order to comply with the requirement of Section 2(19AA) of the Income Tax Act, 1961. Further, the conditions levied under section 2(19AA) of the Income Tax Act, 1961 is not complied with. As such the proposed Scheme is not within the purview of Section 391/394 of the Act read with Section 2(19AA) of Income Tax Act, 1961. It is simply a sale of assets of company. In case such approval is given for simple sale & purchase of assets it would put bar on scrutiny of such sale of assets by other regulators under other statute such as Transfer of Property Act, Registration Act, Stamp Act, Income Tax Act etc.*
 - iv. *The name of the companies can be changed/alterd only after following the procedure prescribed under the Act and filing the necessary e-forms, therefore, the Resulting companies (Petitioner companies 2, 3 & 4) may be asked to follow the procedure prescribed under the Act and to file the necessary e-forms.*
 - v. *The Demerged company (Petitioner company I) may be asked to comply with the conditions raised by the National Stock Exchange (NSE) & Bombay Stock Exchange (BSE).*
14. In reply to the above said observation, a rejoinder affidavit dated 17th September 2013 has been filed by Mr. Sushil Kumar Jain, authorized signatory of Petitioners and oral submissions were also made on the point of applicability of the provisions of the Income Tax, 1961:-
 - i. *That the Petitioner companies undertake to comply with the AS-14 issued by the ICAI, wherever applicable.*
 - ii. *That the Petitioner companies undertake to follow the necessary procedure and file the necessary forms as prescribed under the relevant provision of the Act with the Registrar of the Companies (ROC) for the transfer of the charges on approval of the Scheme.*

- iii. *Learned counsel for the Petitioner submits that the observations, pertaining to the conditions levied under Section 2(19AA) of the Income Tax Act, 1961 is not complied with, holds no good as a judgment of this Court in **INDO RAMA TEXTILE LTD in CP No. 4/2003 dated 23rd July 2012**, Para 47 to 49 has the observation that - if the Scheme is not tax compliant, then the tax authority will levy capital gain tax, if any; and compliance under section 2(19AA) of the Income Tax Act, 1961 is relevant only for the purposes for determining whether the Scheme is tax neutral or not; and in view of Section 2(19AA) the Scheme must necessarily comply with Section 2(19AA) which is meant for availing tax concession cannot be read as a mandatory requirement for all schemes of amalgamation/ arrangement/demerger under section 391/392/394 of the Act.*

Further, the Petitioners submitted that provisions of the Income Tax Act are only relevant from the point of view of levy of income tax on a transaction. A scheme of arrangement may not be tax neutral and the arrangement sought to be effected through the Scheme may attract levy of income tax. It was further submitted that the High Court order does not grant exemption from levy of income tax, stamp duty and other charges, which the Petitioner companies may be liable to pay on implementation of the Scheme. My attention was also drawn to the standard clause of the order passed by this Court on sanctioning of Scheme which clearly provides that this order will not be construed as an order granting exemption from payment of stamp duty or any other charges, if payable, in accordance with any law; or permission/compliance with any other requirement which may be specifically required under any law.

- iv. *That the Petitioner companies undertake to follow the necessary procedure and file the necessary forms as prescribed under the relevant provisions of the Act with the ROC to place on record the name change on approval of the Scheme.*
- v. *That the Petitioner company undertakes to comply with all the conditions prescribed by NSE and BSE, while giving their 'No-objection' to the Scheme of Arrangement.*

In view of the above said submission, observations made by the Regional Director no longer survive.

15. No objection has been received to the Scheme from any other party. Mr. Sushil Kumar Jain, authorized signatory of the Petitioner companies, has filed an affidavit dated 16th September 2013, confirming that neither the Petitioner companies nor their counsel has received any objection pursuant to citations published in the newspapers.
16. In view of the approval accorded by the shareholders, secured creditors and the unsecured creditors of the Petitioner companies, affidavit/report filed by the RD and the OL to the proposed Scheme, the rejoinder affidavits filed by the Petitioners and the submissions made by the learned counsel for the Petitioners, there appears to be no impediment to the grant of sanction to the Scheme. Consequently, Sanction is hereby granted to the Scheme under Sections 391 and 394 of the Act. The Petitioner companies will comply with the statutory requirements in accordance with law.
17. The certified copy of the order will be filed with the ROC within 30 days from the date of receipt of the same. In terms of the provisions of Sections 391 and 394 of the Act, and in terms of the Scheme:-
- i the whole of the undertaking, the properties, rights and powers of the Hardware Solutions Business Undertaking, Service Business Undertaking and Learning Business Undertaking of Petitioner company 1 shall be transferred to and vest in the Petitioner company 2, Petitioner company 3 and Petitioner company 4, respectively without any further act or deed. Similarly, in terms of the Scheme, all the liabilities and duties of the Hardware Solutions Business Undertaking, Service Business Undertaking and Learning Business Undertaking of Petitioner company 1 shall be transferred to and vest in the Petitioner company 2, Petitioner company 3 and Petitioner company 4, respectively without any further act or deed.
 - ii the whole of the undertaking, the properties, assets, rights and powers of the Petitioner company 5 shall be transferred to and vest in the Petitioner company 1 without any further act or deed. Similarly, in terms of the Scheme, all the liabilities and duties of the Petitioner company 5 shall be transferred to the Petitioner company 1 without any further act or deed. Upon the Scheme coming into effect, the Petitioner company 5 shall stand dissolved without winding up.
18. It is, however, clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law; or permission/ compliance with any other department which may be specifically required under any law.
19. Learned counsel for the Petitioners submits that the Petitioner companies would voluntarily deposit a sum of Rs. 1,00,000/- in the Common Pool Fund of the OL within three weeks from today. The statement is taken on record.
20. The petition stands allowed in the above terms.

Order be given dasti.

SEPTEMBER 18th, 2013
vld (M)

Sd/-
R. V. EASWAR J.

The Seal of the Delhi High Court, New Delhi

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL COMPANY JURISDICTION)

COMPANY PETITION NO. 404/ 2013

CONNECTED WITH

COMPANY APPLICATION (M): 67/2013

MEMO OF PARTIES

IN THE MATTER OF SCHEME OF ARRANGEMENT OF:

HCL Infosystems Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019.

PETITIONER COMPANY 1

AND

HCL System Integration Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019

PETITIONER COMPANY 2

AND

HCL Care Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019

PETITIONER COMPANY 3

AND

HCL Learning Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019

PETITIONER COMPANY 4

AND

HCL Infocom Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

PETITIONER COMPANY 5

FILED BY
[MAHESH AGARWAL]
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PLACE: NEW DELHI

DATE: 31/7/2013

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT OF

COMPANY PETITION NO. 404 OF 2013

CONNECTED WITH

COMPANY APPLICATION (M) NO. 67 OF 2013

HCL Infosystems Limited,
having its registered office at:
806, Siddharth,
96, Nehru Place,
New Delhi - 110019.

...Petitioner Company 1

AND

HCL System Integration Limited,
having its registered office at:
806, Siddharth,
96, Nehru Place,
New Delhi - 110019.

...Petitioner Company 2

AND

HCL Care Limited,
having its registered office at:
806, Siddharth,
96, Nehru Place,
New Delhi - 110019.

...Petitioner Company 3

AND

HCL Learning Limited,
having its registered office at:
806, Siddharth,
96, Nehru Place,
New Delhi - 110019.

...Petitioner Company 4

AND

HCL Infocom Limited,
having its registered office at:
806, Siddharth,
96, Nehru Place,
New Delhi - 110019.

...Petitioner Company 5

(Hereinafter individually referred to as HIL, HCL SI, HCL Care, HCL Learning and HCL Infocom, respectively and collectively referred to as "Petitioner Companies")

DATED THIS THE 18th DAY OF SEPTEMBER, 2013

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition came up for hearing on 18.09.2013 for sanction of the Scheme of Arrangement proposed to be made amongst HCL Infosystems Limited (hereinafter referred to as Petitioner Company 1), HCL System Integration Limited (hereinafter referred to as Petitioner Company 2), HCL Care Limited (hereinafter referred to as Petitioner Company 3), : HCL Learning Limited (hereinafter referred to as Petitioner Company 4) and HCL Infocom Limited (hereinafter referred to as Petitioner Company 5). The Court examined the Petition, the Order dated 22/05/2013 passed in CA(M) 67/2013, whereby the requirement of convening meetings of Equity Shareholders and Unsecured Creditors of the Petitioner Companies 2, 3, 4 and 5 for the purpose of considering and if thought fit approving with or without modification, the Scheme of Arrangement annexed to the Affidavit dated 17.05.2013 of Sh. Sushil Kumar Jain, Authorized Signatory of the Petitioner Companies were dispensed with and meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company 1 were convened (there being no secured creditors of Petitioner Companies 2,3,4 and 5) and the publication in the newspapers namely 'Indian Express' (English) and 'Jansatta' (Hindi) both dated 20.06.2013 for convening of meetings and the Chairpersons reports dated 26.07.2013 of meeting of equity shareholders and unsecured creditors and report dated 25.07.2013 for the meeting of Secured Creditors and the publication in the newspapers namely 'Indian Express' (English) and 'Jansatta' (Hindi) dated 16.08.2013 containing the notice of the Petition.

The Court also examined the affidavit dated 17.09.2013 of the Regional Director, Northern Region, Ministry of Corporate Affairs and approved the proposed scheme of Arrangement.

Upon hearing Mr. S. Ganesh, Sr. Advocate with Mr. Rishi Agarwal, and Mr. Rajeev Kumar, Advocates for the petitioners, Mr. K.S. Pradhan, Dy. Registrar of Companies for Regional Director (Northern Region) and Mr. S.B. Gautam, Official Liquidator and in view of the approval of the Scheme of Arrangement without any modification by the Equity Shareholders and Creditors of the Petitioner Companies and in view of the report dated 17.09.2013 of the Official Liquidator stating therein that the affairs of the Petitioner Companies do not appear to have been conducted in a manner prejudicial to the interest of its members, creditors or to public interest and there being no investigation proceedings pending in relation to the Petitioner Companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT under Section 391 and 394 of the Act as set forth in Schedule-I annexed hereto and Doth hereby declare the same to be binding on all the Equity Shareholders and Creditors of the Petitioner Companies and all concerned and doth approve the said Scheme of Arrangement with effect from the appointed i.e. 01.01.2013.

THE COURT DOTH FURTHER ORDER:

1. That in terms of the scheme, the whole of the undertaking, the properties, rights and powers of the Hardware Solutions Business Undertaking, Services Business undertaking and Learning Business Undertaking of Petitioner company 1 as specified in Schedule-II shall be transferred to and vest in the Petitioner Company 2, Petitioner Company 3 and Petitioner Company, 4, respectively without any further act or deed.
2. That in terms of the Scheme, all the liabilities and duties of the Hardware Solutions Business Undertaking, Services Business Undertaking and Learning Business Undertaking of Petitioner Company 1 shall be transferred to and vest in the Petitioner Company 2, Petitioner Company 3 and Petitioner Company 4, respectively without any further act or deed and.
3. That in terms of the scheme, the whole of the undertaking, the properties, assets, rights and powers of the Petitioner Company 5 as specified in Schedule -III shall be transferred to and vest in the Petitioner Company 1 without any further act or deed.
4. That in terms of the Scheme, all the liabilities and duties of the Petitioner Company 5 shall be transferred to the Petitioner Company 1 without any further act or deed. Upon the Scheme coming into effect, the Petitioner Company 5 shall stand dissolved without winding up; and
5. That all the proceedings now pending by or against the Hardware Solutions Business Undertaking, Services Business undertaking and Learning Business Undertaking of Petitioner Company 1 be continued by or against the Petitioner Company 2, Petitioner Company 3 and Petitioner Company 4 respectively. Similarly all the proceedings now pending by or against the Petitioner Company 5 be continued by or against the Petitioner Company 1; and;
6. That the Petitioner Companies do within. 30 days after the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Petitioner Company 5 shall be dissolved without undergoing the process of winding up; and
7. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty that is payable in accordance with law; and
8. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary

SCHEME OF ARRANGEMENT**BETWEEN****HCL Infosystems Limited****AND****HCL System Integration Limited****AND****HCL Care Limited****AND****HCL Learning Limited****AND****HCL Infocom Limited****AND****THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS****A. PREAMBLE**

HCL Infosystems Limited ('HIL'), a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019, India, is engaged in varied businesses such as computing and mobility, system integration, distribution, learning and IT services such as break-fix services, infrastructure management services and application services.

This Scheme of Arrangement (hereinafter referred to as "Scheme") provides for transfer and vesting of the Hardware Solutions Business undertaking of HIL into HCL System Integration Ltd; transfer and vesting of the Services Business Undertaking into HCL Care Ltd; transfer and vesting of the Learning Business Undertaking into HCL Learning Ltd and merger of HCL Infocom Limited into HIL on a going concern basis, pursuant to the provisions of Sections 391-394 read with Sections 100-103 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made thereunder.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. RATIONALE FOR THE PROPOSED SCHEME:

HCL System Integration Ltd ('HCL SI'); HCL Care Ltd ('HCL Care'); HCL Learning Ltd ('HCL Learning') and HCL Infocom Limited ('HCL Infocom') are wholly owned subsidiaries of HIL.

The Board of Directors of HIL are of the view that the transfer and vesting of Hardware Solutions Business Undertaking; Services Business Undertaking and Learning Business Undertaking into HCL SI, HCL Care and HCL Learning respectively, is in the interest of all concerned including the shareholders, creditors, employees and general public as it would provide:

1. Focused management orientation to each of the businesses with specialization and leadership vision;
2. Greater transparency and visibility on the operational and financial performance of each business;
3. Higher degree of independence as well as accountability with autonomy for each of the business segments;
4. Potential for strategic partnership for growth of the business by permitting new joint ventures to come into existence in the future in specialized and segregated business; and
5. Flexibility for fund raising capability for each of the companies for future growth and expansion

As a part of the restructuring, HCL Infocom is proposed to be merged with HIL, to achieve the following benefits:

- Reducing administrative cost;
- Removing multiple layer inefficiencies; and
- Achieving operational and management efficiency.

- In consideration of the above mentioned business rationale and related benefits, reciprocal promises and this arrangement, this Scheme between HIL, HCL SI, HCL Care, HCL Learning and HCL Infocom is being proposed in accordance with the terms set out hereunder.

C) PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts:

- i. **PART I** deals with the Definitions and Share Capital
- ii. **PART II** deals with transfer and vesting of the Hardware Solutions Business Undertaking, Services Business Undertaking and Learning Business Undertaking of HIL into HCL SI, HCL Care and HCL Learning respectively
- iii. **PART III** deals with merger of HCL Infocom with HIL
- iv. **PART IV** deals with general terms and conditions applicable to this Scheme

PART I

DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the under mentioned expressions shall have the following meaning:

- 1.1 **“Act” or “The Act”** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means January 1, 2013, or such other date as may be approved by the High Court of Judicature at New Delhi or any other appropriate authority.
- 1.3 **“Board of Directors” or “Board”** in relation to HIL, HCL SI, HCL Care, HCL Learning and HCL Infocom means the board of directors of HIL, HCL SI, HCL Care, HCL Learning and HCL Infocom as the case may be, shall include the committee or sub-committee of directors.
- 1.4 **“Court”** means the High Court of Delhi at New Delhi, and shall include the National Company Law Tribunal, if applicable.
- 1.5 **“Effective Date”** means the date on which the certified copies of the Orders of the Court or any other appropriate authority under Sections 391 to 394 read with Sections 100 to 103 of the Act sanctioning the Scheme are filed with the Registrar of Companies, NCT of Delhi and Haryana by HIL, HCL SI, HCL Care, HCL Learning and HCL Infocom.

Explanation: Any reference in the Scheme to “Upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.
- 1.6 **“Financial statements”** would include stand alone and consolidated accounts
- 1.7 **“Hardware Solutions Business Undertaking”** means the Hardware Solutions business including but not limited to sale of office automation, security, hardware solutions sold to enterprises & government and systems integration business (however excluding the Computing Products Manufacturing and Channel business) carried on by HIL, on a going concern basis, comprising, inter alia, the assets and liabilities relating thereto and which shall mean and include (without limitation):

- a) All assets (wherever situated), whether movable or immovable, tangible or intangible, leasehold or freehold, including all land, buildings, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipments, investments (including investment in shares of foreign subsidiaries); current assets, loans and advances, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent and loans and advances appearing in the books of accounts of HIL pertaining to or relatable to the Hardware Solutions Business.
- b) All rights, entitlements, approvals, licenses, registrations, certifications, consents, permissions, brands, logos, engagements, arrangements, municipal permissions, cash balances, financial assets, funds belonging to or proposed to be utilized for the Hardware Solutions Business; bank balances, balances with Government, excise department, tax authorities both state and central government bank accounts, security deposits, privileges, recoverable, receivables, advantages, all other rights and benefits, in connection with or relating to the Hardware Solutions Business.
- c) All secured and unsecured debts, liabilities present or future (including contingent liabilities), duties, undertakings and obligations pertaining to the Hardware Solutions Business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the Hardware Solutions Business.
- d) All existing and future contracts, RFPs, bids, responses to EOI, memorandum of understanding, entitlements,

industrial and other licenses, municipal permissions, approvals, consents, tenancies in relation to any joint venture or other arrangement which may be entered into by HIL in respect of business relating or incidental to the Hardware Solutions Business.

- e) All the past track record of HIL relating to the Hardware Solutions Business, including without limitation, the profitability, production volumes, experience, credentials (including awards and accolades), certifications, accreditations and market share pertaining to or relating to the Hardware Solutions Business.
- f) All employees of HIL employed who are substantially engaged in the Hardware Solutions Business as identified by the Board of Directors of HIL.
- g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Hardware Solutions Business.

Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Hardware Solutions Business Undertaking or whether it arises out of the activities or operations or is to be included in the Hardware Solutions Business Undertaking shall be decided by mutual agreement between the Board of Directors of HIL and HCL SI.

1.8 “Services Business Undertaking” means the Services business including but not limited to, IT infrastructure managed services, break-fix services, cloud services, after-sales support services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services carried on by HIL, on a going concern basis, comprising, inter alia, the assets and liabilities relating thereto and which shall mean and include (without limitation):

- a) All assets (wherever situated), whether movable or immovable, tangible or intangible, leasehold or freehold, including all land, buildings, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipments, investments (including investments in shares of foreign subsidiaries), current assets, loans and advances, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent and loans and advances appearing in the books of accounts of HIL pertaining to or relatable to the Services Business.
- b) All rights, entitlements, approvals, licenses, registrations, certifications, warranty service entitlements, consents, permissions, brands, logos, engagements, arrangements, municipal permissions, cash balances, financial assets, funds belonging to or proposed to be utilized for the Services Business; bank balances, balances with Government, excise department, tax authorities both state and central government bank accounts, security deposits, privileges, recoverable, receivables, advantages, all other rights and benefits, in connection with or relating to the Services Business.
- c) All secured and unsecured debts, liabilities present or future (including contingent liabilities), duties, undertakings and obligations pertaining to the Services Business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the Services Business.
- d) All existing and future contracts, RFPs, bids, responses to EOI, memorandum of understanding, entitlements, industrial and other licenses, municipal permissions, approvals, consents, tenancies in relation to any joint venture or other arrangement which may be entered into by HIL in respect of business relating or incidental to the Services Business.
- e) All employees of HIL employed who are substantially engaged in the Services Business as identified by the Board of Directors of HIL.
- f) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Services Business.

Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Services Business Undertaking or whether it arises out of the activities or operations or is to be included in the Services Business Undertaking shall be decided by mutual agreement between the Board of Directors of HIL and HCL Care Ltd.

1.9 “Learning Business Undertaking” means the Learning business including but not limited to, training services and educational content software offerings for private schools, colleges and other education institutes and vocational training carried on by HIL, on a going concern basis, comprising, inter alia, the assets and liabilities relating thereto and which shall mean and include (without limitation):

- a) All assets (wherever situated), whether movable or immovable, tangible or intangible, leasehold or freehold,

including all land, buildings, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipments, investments, current assets, loans and advances, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent and loans and advances appearing in the books of accounts of HIL pertaining to or relating to the Learning Business.

- b) All rights, entitlements, approvals, licenses, registrations, certifications, consents, permissions, brands, logos, engagements, arrangements, municipal permissions, cash balances, financial assets, funds belonging to or proposed to be utilized for the Learning Business; bank balances, balances with Government, excise department, tax authorities both state and central government bank accounts, security deposits, privileges, recoverable, receivables, advantages, all other rights and benefits, in connection with or relating to the Learning Business.
- c) All secured and unsecured debts, liabilities present or future (including contingent liabilities), duties, undertakings and obligations pertaining to the Learning Business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the Learning Business.
- d) All existing and future contracts, RFPs, bids, responses to EOI, memorandum of understanding, entitlements, industrial and other licenses, municipal permissions, approvals, consents, tenancies in relation to any joint venture or other arrangement which may be entered into by HIL in respect of business relating or incidental to the Learning Business.
- e) All employees of HIL employed who are substantially engaged in the Learning Business as identified by the Board of Directors of HIL.
- f) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Learning Business.

Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Learning Business Undertaking or whether it arises out of the activities or operations or is to be included in the Learning Business Undertaking shall be decided by mutual agreement between the Board of Directors of HIL and HCL Learning Ltd.

- 1.10 “HCL Care”** means HCL Care Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019. HCL Care is a wholly owned subsidiary of HCL Infocom.
- 1.11 “HCL SI”** means HCL System Integration Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place New Delhi - 110 019. HCL SI is a wholly owned subsidiary of HCL Infocom.
- 1.12 “HCL Infocom”** means HCL Infocom Limited, a Company incorporated under the provisions of Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019. HCL Infocom is a wholly owned subsidiary of HIL.
- 1.13 “HCL Learning”** means HCL Learning Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019. HCL Learning is a wholly owned subsidiary of HCL Infocom.
- 1.14 “HIL”** means HCL Infosystems Limited, a Company incorporated under the Companies Act, 1956 having its at Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019.
- 1.15 “Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, court or recognized stock exchange of India or any other country or jurisdiction as applicable.
- 1.16 “Parties”** means HIL, HCL SI, HCL Care, HCL Learning and HCL Infocom collectively.
- 1.17 “Remaining Business”** means and includes all business of HIL other than that comprised in the Hardware Solutions Business Undertaking, Services Business Undertaking and Learning Business Undertaking.
- 1.18 “Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement as set out herein and approved by the Board of Directors of the Parties, subject to such modifications as the Court may impose or the Parties may prefer and the Court may approve.
- 1.19 “Transferee Companies”** means HCL SI, HCL Care and HCL Learning collectively

- 1.20 “Transferred Undertakings”** means the Hardware Solutions Business Undertaking, Services Business Undertaking and Learning Business Undertaking collectively

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

3 SHARE CAPITAL

- 3.1 The authorized and paid-up share capital of HIL as on June 30, 2012 as per the last audited balance sheet, is as under:

Particulars	Rupees
Authorized Capital	
55,00,00,000 Equity Shares of Rs 2/- each	1,10,00,00,000
5,00,000 Preference Shares of Rs. 100/- each	5,00,00,000
Total	1,15,00,00,000
Issued, Subscribed and Paid-up Capital	
22,28,79,629 Equity Shares of Rs 2/- each, fully paid up	44,57,59,258
Total	44,57,59,258

Subsequent to the above Balance Sheet date and till the date of approval by the Board of Directors to the said Scheme there is no change in the Share Capital Account.

- 3.2 The authorized and paid-up share capital of HCL SI as on incorporation date September 28, 2012, is as under:

Particulars	Rupees
Authorised Capital	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000

Post incorporation there has been no additions/changes to the Share Capital account.

- 3.3 The authorized and paid-up share capital of HCL Care as on incorporation date September 28, 2012, is as under:

Particulars	Rupees
Authorised Capital	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000

Post incorporation there has been no additions/changes to the Share Capital account.

- 3.4 The authorized and paid-up share capital of HCL Learning as on incorporation date September 28, 2012, is as under:

Particulars	Rupees
Authorised Capital	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000

Post incorporation there has been no additions/changes to the Share Capital account.

- 3.5 The authorized and paid-up share capital of HCL Infocom as on June 30, 2012, is as under:

Particulars	Rupees
Authorised Capital	
5,00,000 Equity Shares of Rs 10/- each	50,00,000
Total	50,00,000
Issued, Subscribed and Paid-up	
3,30,000 Equity Shares of Rs 10/- each	33,00,000
Total	33,00,000

Subsequent to the above Balance Sheet date, the Company has issued 1,49,500 (One lakh forty nine thousand and five hundred only) fully paid up equity shares of Rs 10 (Rupees Ten only) each at par and thus the paid-up equity share capital has increased to 4,79,500 (Four lakh seventy nine thousand and five hundred) equity shares of Rs 10 (Rupees Ten only) each, fully paid-up aggregating to Rs 47,95,000 (Rupees forty seven lakhs ninety five thousand only).

PART II

TRANSFER OF THE TRANSFERRED UNDERTAKINGS

4 TRANSFER AND VESTING OF TRANSFERRED UNDERTAKINGS IN THE TRANSFeree COMPANIES

With effect from the appointed date or such other date as may be fixed or approved by the Hon'ble High Court and upon the Scheme becoming effective, the Transferred Undertakings shall be transferred and vested in the Transferee Companies in the following manner:

- 4.1 The whole of the Hardware Solutions Business Undertaking, Services Business Undertaking and Learning Business Undertaking of HIL as defined in Clause 1.7, Clause 1.8 and Clause 1.9, respectively, shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in HCL SI, HCL Care and HCL Learning respectively, as a going concern.
- 4.2 In respect of all the movable assets of the Transferred Undertakings, of HIL and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the respective Transferee Companies, and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the respective Transferee Companies, to the end and intent that the property and benefit therein passes to the respective Transferee Companies with effect from the Appointed Date.
- 4.3 In respect of movables other than those specified in sub-clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi shall, to the extent possible, be followed:

HIL shall give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the said Scheme, the said debt, loan, advance or deposit pertaining to the Transferred Undertakings shall be paid to or made good to or held on account of the respective Transferee Companies and that the right of the respective Transferee Companies to recover or realise the same is in substitution of the rights of HIL.

- 4.4 With effect from the Appointed Date, the immovable property, if any, relating to the Transferred Undertakings, and any documents of title/rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been vested in and stand transferred to and shall belong to the respective Transferee Companies. From the Appointed Date, the respective Transferee Companies shall in relation to the properties of the Transferred Undertakings transferred to it under this Scheme, be liable for ground rent, municipal taxes and any other applicable cess, duties, levies, taxes and the like. The mutation of the title to the said immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the Scheme, in accordance with the terms hereof without any further act or deed whatsoever, in favour of the respective Transferee Companies.
- 4.5 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferred Undertakings, which HIL owns or is a party to, cannot be transferred to the respective Transferee Companies for any reason whatsoever, HIL shall hold such assets or contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, in trust for the benefit of the respective Transferee Companies, insofar as it is permissible so to do, till such time as the transfer is effected.
- 4.6 All cheques and other negotiable instruments, payment orders received in the name of HIL pertaining to the Transferred Undertakings after the Effective Date shall be accepted by the bankers of the respective Transferee Companies and credited to the account of the respective Transferee Companies. Similarly, the banker of the respective Transferee Companies shall honour cheques issued by HIL pertaining to the Transferred Undertakings for payment after the Effective Date.
- 4.7 All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the authorities concerned or applications submitted at any time on or before the Effective Date or being used by HIL pertaining to the Transferred Undertakings shall stand transferred and vested in the name of the respective Transferee Companies without any further act or deed. The respective Transferee Companies, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authority(ies).
- 4.8 Upon the coming into effect of this Scheme on the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations pertaining to the Transferred Undertakings, shall without any further act or deed be and stand transferred to the respective Transferee Companies, and shall thereupon become the debts, liabilities, contingent liabilities, duties and obligations of the respective Transferee Companies, which shall meet, discharge and satisfy the same.
- 4.9 Upon the coming into effect of this Scheme on the Appointed Date such of the general or multipurpose borrowings of HIL as identified by the Board of Directors of HIL, shall without any further act or deed be and stand transferred to the respective Transferee Companies, and shall thereupon become the debts and liabilities of the respective Transferee Companies, which shall meet, discharge and satisfy the same.
- 4.10 The transfer of the general or multipurpose borrowings in terms of Clause 4.9 above shall be without prejudice to any agreements or arrangements including in respect of security entered into between HIL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and the respective Transferee companies) notwithstanding that the liability for repayment of the principal amount and payments of interest or any other dues is taken over by the respective Transferee Companies. HIL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of the respective Transferee Companies, and the respective Transferee Companies shall be under an obligation to place with HIL funds at the relevant time so as to enable HIL to make payments to the lenders on or before their respective due dates.
- 4.11 In respect of any liability mentioned hereinabove, if HIL is required to make payment to satisfy such liability, the respective Transferee Companies shall be obliged to forthwith reimburse to HIL any such payment made.
- 4.12 The existing security or charge in favour of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer of the Transferred Undertakings from HIL to the respective Transferee Companies. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of HIL and the respective Transferee Companies.

It is clarified that-

- (a) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Transferred Undertakings which have been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Transferred Undertakings have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered.

- (b) If any existing security in respect of any part of the abovementioned liabilities extends wholly or partly over the assets of the Remaining Business of HIL, then the respective Transferee Companies shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Transferred Undertakings to the satisfaction of the respective lenders and upon creation of such security, the assets of the Remaining Business of HIL shall be released and discharged from such encumbrance.
 - (c) If any security or charge exists on the assets comprising the Transferred Undertakings in respect of any loans or liabilities which have not been transferred to the respective Transferee Companies pursuant to this Scheme, HIL shall create adequate security over the assets of its Remaining Business to the satisfaction of the respective lenders and upon creation of such security, the assets of the Transferred Undertakings, as above, shall be released and discharged from such encumbrance.
- 4.13 Upon the coming into effect of the Scheme, all motor vehicles of any nature whatsoever comprised in or relatable to the Transferred Undertakings of HIL shall vest in HCL SI, HCL Care and HCL Learning, as applicable, and the appropriate governmental and registration authorities shall mutate and register the same vehicles in the name of HCL SI, HCL Care and HCL Learning, as applicable, as if the vehicles had originally been registered in the name of HCL SI, HCL Care and HCL Learning, as applicable, without levying or imposing any fees, charges, taxes or levy whatsoever.
- 4.14 Transferee Companies shall be entitled to use all packaging materials relatable to the Transferred Undertakings lying unused and to which HIL is entitled to use under any statutes / regulations as on the Appointed Date and implemented from the Effective Date till such time as all of such packaging materials are exhausted, in such manner as may be determined by the Board of Directors of the Parties.

5 CONSIDERATION

The Scheme is intended to restructure within the group of companies controlled by HIL, the holding of the various businesses in a more efficient manner and consistent with the diverse needs of business and does not involve any movement of assets or liabilities to any company outside the group controlled by HIL.

- 5.1 The Hardware Solutions Business Undertaking is intended to be transferred to HCL SI, a wholly owned subsidiary of HIL, without any consideration and accordingly HCL SI shall not issue any shares or pay any consideration to HIL or to their shareholders.
- 5.2 The consideration payable by HCL Care to HIL for transfer and vesting of the Services Business Undertaking of HIL into HCL Care shall be Rs 61,00,00,000 (Rupees Sixty one crores only).
- 5.3 The consideration payable by HCL Learning to HIL for transfer and vesting of the Learning Business Undertaking of HIL into HCL Learning shall be Rs 1,13,00,00,000 (Rupees One hundred and thirteen crores only).
- 5.4 Upon sanction of the Scheme by the Court, HCL Care and HCL learning shall take necessary steps to discharge the consideration as mentioned in Clause 5.2 and Clause 5.3 at the earliest, and in such mode and manner as may be agreed by the Board of HIL, HCL Care and HCL Learning.
- 5.5 It is clarified that nothing contained in the Scheme shall be construed to imply that the transfer and vesting of the Services Business Undertaking and Learning Business Undertaking shall remain or deemed to have remained suspended or in abeyance till the process of discharge of consideration amount in terms of Clause 5.4 is completed.

6 ACCOUNTING TREATMENT

6.1 IN THE FINANCIAL STATEMENTS OF HIL

- 6.1.1 The values of the assets and liabilities pertaining to the Transferred Undertakings, shall be reduced from the respective assets and liabilities of HIL and the difference, if any, as adjusted by the Consideration as per Clause 5.2 and Clause 5.3 shall be recorded as Business Restructuring Reserve.

6.2 IN THE FINANCIAL STATEMENTS OF HCL SI

- 6.2.1 The assets and liabilities pertaining to the Hardware Solutions Business Undertaking shall be recorded by HCL SI, at the respective fair values as on the Appointed Date. The excess of the value of assets over the value of liabilities so recorded shall be credited as Capital Reserve

6.3 IN THE FINANCIAL STATEMENTS OF HCL CARE

- 6.3.1 HCL Care shall record the assets and liabilities of the Service Business Undertaking by apportioning the consideration stated in Clause 5.2 to the respective assets and liabilities based upon the fair values. In case of any excess of the consideration paid over the aggregate fair values of the assets and liabilities taken over shall be recorded as 'Goodwill'.

6.4 IN THE FINANCIAL STATEMENTS OF HCL LEARNING

- 6.4.1 HCL Learning shall record the assets and liabilities of the Learning Business Undertaking by apportioning the consideration stated in Clause 5.3 to the respective assets and liabilities based upon the fair values. In case of any excess of the consideration paid over the aggregate fair values of the assets and liabilities taken over shall be recorded as 'Goodwill'.

7 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

- 7.1 HIL shall carry on and be deemed to have carried on its business and activities in relation to the Transferred Undertakings and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said undertaking belonging to it for and on account of and in trust for the respective Transferee Companies.
- 7.2 Any income or profit accruing or arising to HIL in relation to the Transferred Undertakings and all costs, charges, expenses and losses incurred by HIL in relation to the Transferred Undertakings shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the respective Transferee Companies.
- 7.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferred Undertakings of HIL as on the close of business hours on the date preceding the Appointed Date whether or not provided in the books of the Transferred Undertakings and all other liabilities relating to the Transferred Undertakings which arises or accrues on or after the Appointed Date but which relates to the period on or upto the Appointed Date shall be deemed to be the debt, liabilities, duties and obligations of the respective Transferee Companies.
- 7.4 With effect from the Appointed Date, HIL has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence.
- 7.5 Except in the ordinary course of business, HIL shall not, without the prior written consent of the Board of Directors of the respective Transferee Companies or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Transferred Undertakings or any part thereof.
- 7.6 All proceedings of whatsoever nature (legal and other, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions if any by or against HIL pertaining to the Transferred Undertakings shall not abate, be discontinued or be in any way prejudicially affected by reason of this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against HIL as if this Scheme had not been made and thereafter be continued, prosecuted and enforced by or against the respective Transferee Companies in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against HIL, as if this Scheme had not been made. The respective Transferee Companies shall take steps to have the abovementioned proceedings continued in its name.
- 7.7 Subject to the other provisions of this Scheme, all lawful agreements, arrangements, bonds, contracts, deeds and other instruments of whatsoever nature relating to the Transferred Undertakings and to which HIL is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favor of the respective Transferee Companies, as the case may be, and may be enforced as fully and effectual as if, instead of HIL, the respective Transferee Companies had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed between the respective Transferee Companies and the other parties thereto. The respective Transferee Companies shall enter and/or issue and /or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novation in order to give formal effect to the provisions of this clause, if so required or if it becomes necessary.

8 LEGAL PROCEEDINGS

- 8.1 All legal proceedings of whatsoever nature by or against HIL pending and/or arising before the Appointed Date and relating to Transferred Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the respective Transferee Companies, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against HIL.
- 8.2 After the Appointed Date, if any proceedings are taken against HIL in respect of the matters referred to in Clause 8.1, HIL shall defend the same at the cost of the respective Transferee Companies, and the respective Transferee Companies shall reimburse and indemnify HIL against all liabilities and obligations incurred by HIL in respect thereof.
- 8.3 The respective Transferee Companies undertakes to have all legal or other proceedings initiated by or against HIL referred to in Clauses 8.1 or 8.2, transferred into its name and to have the same continued, prosecuted and enforced by or against the respective Transferee Companies as the case may be, to the exclusion of HIL.

- 8.4 After the Appointed Date, in case the proceedings referred to in Clause 8.1 or Clause 8.2 above cannot be transferred for any reason, HIL shall defend the same at the cost of the respective Transferee Companies, and the respective Transferee Companies shall reimburse, indemnify and hold harmless HIL against all liabilities and obligations incurred by HIL in respect thereof.

9 CONTRACTS, DEEDS, ETC.

- 9.1 Upon the coming into effect the Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and relating to the Transferred Undertakings of HIL, shall continue in full force and effect against or in favour of the respective Transferee Companies, and may be enforced effectively by or against the respective Transferee Companies as fully and effectually as if, instead of HIL, the respective Transferee Companies had been a party thereto.
- 9.2 The respective Transferee Companies may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novation, declarations, or other documents with, or in favour of any party to any contract or arrangement to which HIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The respective Transferee Companies shall be deemed to be authorized to execute any such writings on behalf of HIL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of HIL.
- 9.3 It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferred Undertakings to which HIL is a party to, cannot be transferred to the respective Transferee Companies for any reason whatsoever, HIL shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the respective Transferee Companies insofar as it is permissible so to do, till such time as the transfer is effected.
- 9.4 Upon coming into effect of this Scheme, the past track record of HIL relating to the Transferred Undertakings, including without limitation, the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the respective Transferee Companies for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the respective Transferee Companies in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

10 STAFF, WORKMEN & EMPLOYEES

- 10.1 Upon coming into effect of this Scheme, all staff, workmen and employees of HIL, engaged in or in relation to the Transferred Undertakings and who are in such employment on the Effective Date shall become staff, workmen and employees of the respective Transferee Companies without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the respective Transferee Companies shall not be less favourable than those applicable to them with reference to HIL, in relation to the Transferred Undertakings on the Effective Date.
- 10.2 In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts ("Fund/s") created by HIL for its employees are concerned, the part of the Funds referable to the transferred employees shall be continued for the benefit of the transferred employees pursuant to this Scheme in the manner provided hereinafter. In the event that the respective Transferee Companies has set up its own Funds in respect of any of the Funds of HIL referred to above, the amounts in such Funds in respect of contributions pertaining to the transferred employees shall, subject to the necessary approvals and permissions, if any, be transferred to and vested in the relevant Funds of the respective Transferee Companies. Until such time that the respective Transferee Companies creates its own Fund, the respective Transferee Companies may, subject to necessary approvals and permissions, if any, continue to contribute in respect of the transferred employees to the relevant Funds of HIL and at the time that the respective Transferee Companies create its own Fund, the contributions pertaining to the transferred employees shall be transferred to and vested in the Funds created by the respective Transferee Companies. It is clarified that the services of the transferred employees will be treated as having been continuous for the purpose of the said Fund or Funds. This Scheme shall enable the trustees of provident fund trusts, gratuity fund and pension and/or superannuation fund trusts to amend their respective trust deeds so as to be in conformity with the requirements of both the labour laws and the income tax laws, as applicable, consequent upon the vesting and transfer of employees to the respective Transferee Companies as provided herein, on a continuity of employment basis and on same and/or similar terms and conditions of service.
- 10.3 The services of the transferred employees with the HIL prior to the transfer and vesting, as aforesaid, shall be taken into account for the purposes of all benefits to which the transferred employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the HIL.
- 10.4 Upon the Scheme becoming effective, HIL shall communicate to the aforesaid Employees a notice in a form to be mutually agreed between the respective Transferee Companies and HIL.

11 TAX TREATMENT

Upon the Scheme becoming effective:

- 11.1 It is clarified that all the taxes and duties payable by HIL, relating to the Transferred Undertakings, from the Appointed Date onwards including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the respective Transferee Companies notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of HIL. Further any tax payments not directly relatable to the Transferred Undertakings shall be apportioned between HIL and the respective Transferee Companies in the proportion of their taxable income or wealth pertaining to the Transferred Undertakings and the Remaining Business respectively or any other appropriate basis as the Board of HIL and the respective Transferee Companies mutually in their discretion deem fit. Accordingly, upon the Scheme becoming effective, HIL is expressly permitted to revise and file and the respective Transferee Companies are expressly permitted to revise and file their respective, income tax returns including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 11.2 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by HIL, in relation to the Transferred Undertakings, are concerned, the same shall vest with and be available to the respective Transferee Companies, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Transferred Undertakings, shall stand transferred to and vested in the respective Transferee Companies as if the transaction giving rise to the said balance or credit was a transaction carried out by the respective Transferee Companies. The assets and properties pertaining to the Transferred Undertakings of HIL, shall not be required to be and shall not be physically transferred from any premises or location relating to the Transferred Undertakings and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty pursuant to transfer and vesting of the Transferred Undertakings in the respective Transferee Companies in accordance with the Scheme.

12 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of properties and liabilities and the continuance of proceedings by or against the respective Transferee Companies shall not affect any transaction or proceedings already concluded by HIL on or after the Appointed Date till the Effective Date in relation to the Transferred Undertakings, to the end and intent that the respective Transferee Companies accepts and adopts all acts, deeds and things done and executed by HIL in respect thereto as done and executed on behalf of itself.

13 INDEMNITY

After the Effective Date, the respective Transferee Companies undertake to keep harmless and indemnify and keep indemnified from time to time HIL from and against any and all debts, duties, liabilities, loans incurred, contingent liabilities and obligations of every kind, nature and description relatable to the Transferred Undertakings including all demands, claims, suits, proceedings and the like (save and except all costs, charges and taxes referred to in Clause 29 and agreed to be borne and paid by HIL in full) which have, shall or may be made or instituted by any person, authority, Government of India, firm, company, body corporate or organisation against HIL, directly relating to the Transferred Undertakings and / or against any financial liability/claim that may arise against HIL by virtue of transfer and vesting of the Transferred Undertakings into the respective Transferee Companies under and pursuant to this Scheme.

14 REMAINING BUSINESS

The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by HIL.

15 CHANGE OF NAME

With effect from the Effective Date, the name of HCL SI shall stand changed to "HCL Infotech Limited" or such other name as may be approved by the concerned Registrar of Companies. Further, the name of HCL SI wherever it occurs in its Memorandum and Articles of Association be substituted by HCL Infotech Limited

With effect from the Effective Date, the name of HCL Care shall stand changed to "HCL Services Limited" or such other name as may be approved by the concerned Registrar of Companies. Further, the name of HCL Care wherever it occurs in its Memorandum and Articles of Association be substituted by HCL Services Limited

PART III

MERGER OF HCL INFOCOM WITH HIL

16 TRANSFER AND VESTING

- 16.1 The entire undertaking of HCL Infocom after giving effect to Part II of this Scheme shall stand transferred to and vested in or deemed to be transferred to and vested in HIL, as a going concern, in the following manner:
- 16.2 With effect from the Appointed Date, the whole of the undertaking and properties of HCL Infocom, including investments, after giving effect to Part II of this Scheme shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in HIL so as to vest in HIL all rights, title and interest pertaining thereto.
- 16.3 For the purposes of giving effect to the vesting and transfer order passed under Section 391 and 394 of the Companies Act in respect of this Scheme, HIL shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of the all assets including investments pursuant to the Scheme.
- 16.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of HCL Infocom shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to HIL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of HIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 16.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by HCL Infocom required to carry on operations of HCL Infocom shall stand vested in or transferred to HIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of HIL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, consents, certificates, authorities (including for the operation of Bank accounts), power of attorneys given by, issued to or executed in favour of HCL Infocom shall vest in and become available to HIL as if they were originally obtained by HIL.
- 16.6 The transfer and vesting of the undertaking of HCL Infocom as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof.
- 16.7 It is clarified that all the taxes and duties payable by HCL Infocom, from the Appointed Date onwards, including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of HIL notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of HCL Infocom. Accordingly, upon the Scheme becoming effective, HCL Infocom and HIL are expressly permitted to revise and file their respective, income tax returns including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.

17 CONSIDERATION

Since the entire share capital of HCL Infocom is held by HIL, no shares are issued as consideration. Upon the Scheme of Arrangement becoming effective, the share capital of HCL Infocom shall stand cancelled, and no shares of HIL shall be issued to HIL, the sole shareholder of HCL Infocom.

18 ACCOUNTING TREATMENT IN THE FINANCIAL STATEMENTS OF HIL

- 18.1 HIL shall record the assets and liabilities pertaining to HCL Infocom including its investment in its subsidiaries at the respective fair values as on the Appointed Date.
- 18.2 The receivables, if any, from HCL Infocom appearing in the books of HIL shall stand cancelled against the payable in the books of HCL Infocom.
- 18.3 Any difference being excess of assets over liabilities recorded by HIL after giving effect to Clause 18.2 above will be credited to Capital Reserve.
- 18.4 The Business Restructuring Reserve as per Clause 6.1.1 above shall be adjusted against Capital Reserve arising in Clause 18.3 above and the balance, if any, of the Business Restructuring Reserve shall be further adjusted with the Securities Premium Account of HIL.

- 18.5 The reduction, if any, in the Securities Premium Account of HIL pursuant to clause 18.4 above shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 read with Section 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall also be deemed to be an order under Section 102 of the Act confirming the reduction in the Securities Premium Account. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of section 101 (2) of the act shall not apply. The reduction in the Securities Premium Account of HIL shall not require HIL to add the words "and reduced" as a suffix to its name.

19 COMBINATION OF AUTHORISED CAPITAL

- 19.1 Upon sanction of this Scheme, the authorised share capital of HIL shall automatically stand increased without any further act, instrument or deed on the part of HIL including payment of stamp duty and fees paid to Registrar of Companies, by the authorised share capital of HCL Infocom as on the Effective Date.
- 19.2 The Memorandum of Association and Articles of Association of HIL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 394 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of HCL Infocom shall be utilized and applied to the increased authorized share capital of HIL and no payment of any extra stamp duty and/or fee shall be payable by HIL for increase in the authorised share capital to that extent.
- 19.3 It is clarified that the approval of the members of HIL to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of HIL as may be required under the Act.

20 BUSINESS AND PROPERTY IN TRUST

During the period between the Appointed date and the Effective Date:

- 20.1 HCL Infocom shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new business, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior written consent of the Board of Directors of HIL or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme.
- 20.2 HIL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which HIL, may require to carry on the business of HCL Infocom.
- 20.3 All profits and dividends accruing to HCL Infocom and all taxes thereof or losses arising or incurred by it shall for all purposes be treated as, profits, dividends, taxes or losses as the case may be of HIL.

21 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, any of HCL Infocom is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of HIL, and may be enforced as if, instead of HCL Infocom, HIL had been a party thereto.

22 STAFF, WORKMEN & EMPLOYEES

- 22.1 Upon the coming into effect of this Scheme, all staff, workmen and employees of HCL Infocom engaged in or in service on the Effective Date shall be deemed to have become staff, workmen and employees of HIL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with HIL shall not be less favourable than those applicable to them with reference to HCL Infocom respectively on the Effective Date.
- 22.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and/ or Pension Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees (collectively referred to as "Funds") of HCL Infocom shall become the trusts/ funds of HIL for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of HCL Infocom in relation to such Funds shall become those of HIL. It is clarified that the services of the staff, workmen and employees of HCL Infocom will be treated as having been continuous for the purpose of the said Funds.

23 LEGAL PROCEEDINGS

- 23.1 If any suit, appeal or other proceeding of whatever nature by or against HCL Infocom is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against HIL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against HCL Infocom as if this Scheme had not been made.

- 23.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against HCL Infocom, HIL shall be made party thereto and any payment and expenses made thereto shall be the liability of HIL.

24 WINDING UP OF HCL INFOCOM

On and from the Effective Date, HCL Infocom shall stand dissolved without being wound up.

PART IV

GENERAL TERMS AND CONDITIONS

25 APPLICATION TO COURT

The Parties shall as may be required make applications and/or petitions under Sections 391 to 394 read with Sections 100 to 103 of the Act and other applicable provisions of the Act to the Court for sanction of this Scheme and all matters ancillary or incidental thereto.

26 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Parties, through their respective Boards (which shall include any committee authorized by the Board in this regard) may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Parties, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

27 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 27.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the Members and / or Creditors of the Parties as may be directed by the Court or any other competent authority, as may be applicable.
- 27.2 The Scheme being approved by the requisite majority in number and/or value of shareholders of HIL as required under the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 issued by the Securities and Exchange Board of India to the extent applicable, including any modifications or amendments in relation thereto.
- 27.3 The Scheme being sanctioned by the Court or any other authority under Sections 391 to 394 read with Sections 100 to 103 of the Act and to the necessary Order under Section 394 of the said Act being obtained.
- 27.4 Certified copies of the Orders of the Court sanctioning the Scheme being filed with the respective Registrar of Companies by the Parties.
- 27.5 The requisite consent, approval or permission of the Central Government, State Government(s), or any other statutory or regulatory authority, if any, which by law may be necessary for carrying on the business and for the implementation of this Scheme.

28 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 27 not being obtained and / or the Scheme not being sanctioned by the Court or such other competent authority, as may be applicable, and / or the Orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and /or in connection with the Scheme.

29 COSTS, CHARGES & EXPENSES

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

HCL Infosystems Limited
Hardware Solutions Business Undertaking
SCHEDULE OF PROPERTY

PART I

(Description of Freehold Property)

NIL

PART II

(Description of the Leasehold Property)

NIL

PART III

(Description of all Stocks, Shares, Debentures and other charges in action)

A. Investments in Shares

S No.	Particulars	Total No. of Shares
1.	Shares held in HCL Investments Pte. Ltd., Singapore - Equity Shares of 1 SGD each - Equity Shares of 1 USD each	1 1775000

B. Investments in Bonds and Debentures

S No.	Particulars	Total No. of Debentures / Bonds
NIL		

C. Investments in Mutual Funds

S No.	Particulars	Amount (Rs.)
NIL		

D. Other Investments – Bank Term Deposits

S No.	Particulars	Amount (Rs.)
NIL		

E. Charges in action

S No.	Particulars	Amount (Rs.) Crores
1	Consortium Limit (Led by SBI) - Hypothecation of current Assets as first charge and by way of second charge on all the immovable and movable assets of the Company. The charge ranks pari-passu amongst Bankers.	2125.00
2.	Axis Bank - Subservient charge on current assets	140.00
3.	IDBI Bank - Subservient charge on current assets	100.00
4	State Bank of Patiala - First pari- passu charge on current assets of the company	86.00
5	Cisco Capital - First and exclusive charge on the specified assets of the company	2.37
6	Cisco Capital - First and exclusive charge on the specified assets of the company	21.23

(AUTHORISED SIGNATORY)

Petitioner Company No. 1

Dated this 9th day of October, 2013

HCL Infosystems Limited
Services Business Undertaking
SCHEDULE OF PROPERTY

PART I

(Description of Freehold Property)

NIL

PART II

(Description of the Leasehold Property)

NIL

PART III

(Description of all Stocks, Shares, Debentures and other charges in action)

A. Investments in Shares

S No.	Particulars	Total No. of Shares
1.2.	<u>Shares held in HCL Insys Pte Ltd., Singapore</u>	
	- Equity Shares of 1 SGD each	6199991
	- Equity Shares of 1 USD each	3800000
	<u>Shares held in HCL Touch Inc., USA</u>	
	- Equity Shares of 0.01 USD each	150

B. Investments in Bonds and Debentures

S No.	Particulars	Total No. of Debentures / Bonds
	NIL	

C. Investments in Mutual Funds

S No.	Particulars	Amount (Rs.)
	NIL	

D. Other Investments – Bank Term Deposits

S No.	Particulars	Amount (Rs.)
	NIL	

E. Charges in action

S No.	Particulars	Amount (Rs.) Crores
1	Consortium Limit (Led by SBI) - Hypothecation of current Assets as first charge and by way of second charge on all the immovable and movable assets of the Company. The charge ranks pari-passu amongst Bankers.	85.00
2.	HDFC Bank - Subservient charge on stock and book debts	153.34

(AUTHORISED SIGNATORY)

Petitioner Company No. 1

Dated this 9th day of October, 2013

HCL Infosystems Limited
Learning Business Undertaking
SCHEDULE OF PROPERTY

PART I

(Description of Freehold Property)

NIL

PART II

(Description of the Leasehold Property)

NIL

PART III

(Description of all Stocks, Shares, Debentures and other charges in action)

A. Investments in Shares

S No.	Particulars	Total No. of Shares
	NIL	

B. Investments in Bonds and Debentures

S No.	Particulars	Total No. of Debentures / Bonds
	NIL	

C. Investments in Mutual Funds

S No.	Particulars	Amount (Rs.)
	NIL	

D. Other Investments – Bank Term Deposits

S No.	Particulars	Amount (Rs.)
	NIL	

E. Charges in action

S No.	Particulars	Amount (Rs.) Crores
1	Consortium Limit (Led by SBI) - Hypothecation of current Assets as first charge and by way of second charge on all the immovable and movable assets of the Company. The charge ranks pari-passu amongst Bankers	40.00
2	IDBI Bank - Subservient charge on current assets	20.00

(AUTHORISED SIGNATORY)

Petitioner Company No. 1

Dated this 9th day of October, 2013

HCL Infocom Limited
SCHEDULE OF PROPERTY

PART I

(Description of Freehold Property)

NIL

PART II

(Description of the Leasehold Property)

NIL

PART III

(Description of all Stocks, Shares, Debentures and other charges in action)

A. Investments in Shares

S No.	Particulars	Total No. of Shares
1.	- Equity Shares of Rs. 5000/- each held in Nokia HCL Mobile Internet Services Limited	490
2.	- Equity Shares of Rs. 10/- each held in HCL System Integration Limited	50000
3.	- Equity Shares of Rs. 10/- each held in HCL Care Limited	50000
4.	- Equity Shares of Rs. 10/- each held in HCL Learning Limited	50000

B. Investments in Bonds and Debentures

S No.	Particulars	Total No. of Debentures / Bonds
NIL		

C. Investments in Mutual Funds

S No.	Particulars	Amount (Rs.)
NIL		

D. Other Investments – Bank Term Deposits

S No.	Particulars	Amount (Rs.)
NIL		

E. Charges in action

S No.	Particulars	Amount (Rs.)
NIL		

(AUTHORISED SIGNATORY)

Petitioner Company No. 5

Dated this 9th day of October, 2013

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

**DIGILIFE DISTRIBUTION AND
MARKETING SERVICES
LIMITED**



प्रारूप 1 पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U72900DL2008PLC175605

2007 - 2008

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

HCL Security Limited

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक उन्नीस मार्च दो हजार आठ को मेरे हस्ताक्षर से दिल्ली में जारी किया जाता है।

Form 1 Certificate of Incorporation

Corporate Identity Number : U72900DL2008PLC175605

2007 - 2008

I hereby certify that HCL Security Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Delhi this Nineteenth day of March Two Thousand Eight.

(GUPTA KUMAR VINAY)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

HCL Security Limited
806, SIDDHARTH, 96, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA



व्यापार प्रारंभ करने का प्रमाण-पत्र

कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U72900DL2008PLC175605

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
HCL Security Limited

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक उन्नीस मार्च दो हजार आठ को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक दस अप्रैल दो हजार आठ को मेरे हस्ताक्षर से दिल्ली में जारी किया जाता है।

Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U72900DL2008PLC175605

I hereby certify that the HCL Security Limited which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Nineteenth day of March Two Thousand Eight, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Delhi this Tenth day of April Two Thousand Eight.

(KLAIR ANITA)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies
राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

HCL Security Limited
806, SIDDHARTH, 96, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U72900DL2008PLC175605

मैसर्स HCL Security Limited

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
HCL Security Limited

जो मूल रूप में दिनांक उन्नीस मार्च दो हजार आठ को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
HCL Security Limited

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 अ दिनांक एस्.आर.एन्. दिनांक 26/07/2011 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित (रूप) में मैसर्स 24.6.1985 B16852428
Digilife Distribution and Marketing Services Limited

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र दिल्ली में आज दिनांक छब्बीस जुलाई दो हजार ग्यारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, National Capital Territory of Delhi and Haryana

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U72900DL2008PLC175605

In the matter of M/s HCL Security Limited

I hereby certify that HCL Security Limited which was originally incorporated on Nineteenth day of March Two Thousand Eight under the Companies Act, 1956 (No. 1 of 1956) as HCL Security Limited having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B16852428 dated 26/07/2011 the name of the said company is this day changed to Digilife Distribution and Marketing Services Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Delhi this Twenty Sixth day of July Two Thousand Eleven.

Registrar of Companies, National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

*Note: The corresponding form has been approved by MANMOHAN JUNEJA, Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

Digilife Distribution and Marketing Services Limited
806, SIDDHARTH, 96, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA





GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Delhi

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi, Delhi, INDIA, 110019

Corporate Identity Number : U72900DL2008PLC175605.

SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The share holders of M/s Digilife Distribution and Marketing Services Limited having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 27/06/2015 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Delhi this Tenth day of August Two Thousand Fifteen.

Afsar Ali
Assistant Registrar of Companies
Registrar of Companies
Delhi

Mailing Address as per record available in Registrar of Companies office:

Digilife Distribution and Marketing Services Limited
806, SIDDHARTH, 96, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA



THE COMPANIES ACT, 2013
AND
THE COMPANIES ACT, 1956 (to the extent applicable)
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED.

- I. The Name of the Company is **DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED.**
- II. The Registered Office of the Company will be situated in the National Capital Territory of Delhi.
- III. The objects for which the Company is established are:-
- (A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:-
1. To carry on in India or anywhere in the world all kinds of businesses of manufacturers, assemblers, designers, buyers, sellers, importers, exporters, repairers, processors, dealers, retailers, traders, distributors, product engineers or otherwise dealing in all types, varieties and kind of products and provide services for specialty solutions including, but not limited to, safety, security and surveillance devices, enterprise lighting products, equipments, products, systems, services, applications and projects.
 2. To carry in India or anywhere in the world the business of providing and supplying end-to-end technology solutions including, but not limited to, various security and surveillance devices, equipments, products, systems and system integration.
 3. To carry on in India or anywhere in the world the business of remote infrastructure management in the field of security and surveillance.
 4. To carry on In India or anywhere in the world the business of consulting, certification, training and other advisory services in the field of security and surveillance.
 5. To own, acquire, maintain, develop, use any know how, patents, rights and privileges related to any or all of the devices, equipments, products, systems, services and solutions in the field of security and surveillance and engage in commercial exploitation thereof.
 6. To manufacture, design, develop, assemble, buy, sell, distribute, export, import, assemble, remodel, install, repair, convert, overhaul, maintain and improve and otherwise deal in all types of goods, things, articles, merchandise including, but not limited, to electric, digital, multi-media, consumer durables and domestic appliances including, but not limited to all types of home appliances, spare parts and accessories, equipment, components, devices, apparatus and all types of machines, machineries, appliances, apparatus, devices, materials, substances and component parts thereof and other materials used in or in connection with electronic, electric, digital,

As amended vide resolution passed at the Extra Ordinary General Meeting held on 27-06-2015

multi-media, consumer durables and domestic appliances industries.

- 7 To carry on all kinds of businesses of designers, manufacturers, processors, assemblers, dealers, retailers, traders, distributors, importers, exporters, repairers or otherwise deal in all types, varieties and kinds of instruments, cellular telephone units and systems, components, accessories, assemblies, apparatus, spares, hardware thereof existing or that may be invented in future in various industries including, but not limited to, electronics, telecommunication, engineering, information technology including, but not limited to, products and accessories, office automation products, enterprise products and to acquire, develop, install, maintain and run all types of services in the telecommunication (including, but not limited to, cellular mobile telephone or fixed telephone) information technology, electronics and multi media and also to manufacture, produce, acquire, import, export and deal in any manner in any product relating to telecommunication electronics information technology and multi-media.
- 8 To render as principals, agents, contractors or otherwise, technical know-how and consultancy services in the field of electronics and electrical, telecommunications and mechanical, chemical and civil engineering, particularly those requiring use of sophisticated technology, including, but not limited to, the provision of facilities and collection and dissemination of knowledge for manufacture, hire and use of equipment and devices for commercial exploitation thereof and of any patents, know-how, rights or privileges for the time being acquired by or belonging to the Company.
- 9 To carry on the business of providing all kinds of services including, but not limited to, information technology based and enable services in India or anywhere in the world, electronic remote processing, e-services, including, but not limited to, all types of internet based / web enabled services, software development, transaction processing, fulfillment services, business support services including, but not limited to, providing related services of all kinds and description to establish and operate service processing centers for providing services for back office and processing requirements, contracting and communicating to and on behalf of customers by voice, data image, letters using dedicated domestic and/or international private lines, and to handle business process management, remote help desk management, remote management, remote customer interaction, customer relationship management and customer servicing through call centers and voice-mail, email and messaging services and voice and data screen dialing.
- 10 To carry-on in India or anywhere in the world all or any of the business of manufacturers, designers, developers, assemblers, buyers, sellers, distributors, exporters, importers, remodelers, installers, repairers, converters, overhauling, maintaining and improving and otherwise deal in products and provide services for high end technology products including, but not limited to products equipped with electronic gadgets, camera and other devices, which may be installed or embedded or otherwise be part of attire or part of clothing which may be worn by a person.
- 11 To carry on in India or anywhere in the world all or any of the above business activities in any manner, including through conventional physical means or through electronic means including, but not limited to, e-commerce using computers through online platforms or through

online marketplace or using mobile devices.

- 12 To carry on in India or anywhere in the world, all or any of the business or businesses of engineers in all or any of the fields of electronics, electrical, telecommunications, mechanical, chemical, solar and renewable energy, consumer lighting products and civil engineering and designers, assemblers and manufacturers of dealers in, stockiest, distributors, representatives, agents, hirers, repairers, cleaners, storers and leasing of all kinds of plant, machinery, equipments, apparatus, implements, parts, components, spares, batteries, accessories, assemblies, sub-assemblies and other devices and scientific or other instruments, precision tools, moulds and other equipments (including, but not limited to, in particular computers, accessories thereof and peripherals thereof, digital products, electronic aids and appliances, copiers, microfilm readers and processors and other reprographics equipments, hardware and software for electronic and electro-mechanical and other related equipment and other ancillary items) and any other articles, products, by-products, materials, appliances, spares and accessories, apparatus and substitutes thereof.
 - 13 To carry on in India or anywhere in the world, all or any of the following business or businesses as designers, assemblers, buyers, sellers, manufacturers, processors, dealers, retailers, traders, stockiest, distributors, importers, exporters, remodelers, installers, repairers, converters, overhaulers, representatives, developers, agents, hirers, cleaners, storers and lessors and service providers as principals, agents, contractors or otherwise deal in products and services in high end technology products including, but not limited to products equipped with electronic gadgets, camera and other devices, which may be installed or embedded or otherwise be part of attire or part of clothing which may be worn by a person.
 - 14 To carry on in India or anywhere in the world all or any of the above business activities in any manner, including through conventional physical means or through electronic means including, but not limited to, e-commerce using computers through online platforms or through online marketplace or using mobile devices.
- (B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A:-
- 1 To establish, provide, maintain and conduct research and development in the field of the main business of the Company.
 - 2 To purchase and otherwise acquire, own, import, all materials, substances, appliances, machines, containers and such other articles and apparatus and things capable of being used in any of the main business and to own, lease and otherwise acquire and use facilities of whatever kind as may be convenient or useful or conducive to the effective working of the main business of the Company.
 - 3 To acquire, build, alter, maintain, enlarge, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery and conveniences which may seem necessary to achieve the main objects of the company.
 - 4 To buy, repair, alter, improve, exchange, import, works, plants, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in the main

business of this company.

- 5 To purchase, take on lease or tenancy or in exchange, hire take, options over or otherwise acquire any estate or interests, whatsoever and to hold, develop work, concessions, grants, decrees, licences, privileges, claims, options, leases, property, real or personal or rights or powers of any kinds which may appear to be necessary for the main business of the Company.
- 6 To pay for any rights or property acquired by the Company and to remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company as paid up in full.
- 7 To pay for preliminary and pre-incorporation expenses of the Company.
- 8 To exchange, mortgage, grant licences, easements, options and such other rights over and dispose off the whole or any part of the undertaking, property assets, rights and effects of the Company for such consideration as may be thought fit and in particular for stocks, shares, debentures whether fully or partly paid up.
- 9 To advance money, either with or without security and give credit to such persons (including Government) and upon such terms and conditions as the Company may deem fit, provided that the Company shall not carry on banking business within the meaning of Banking Regulations Act, 1949.
- 10 To undertake financial and commercial obligations, transactions and operations of all kinds.
- 11 To guarantee the performance of any contract or obligations and the payment of money or dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered directly or indirectly to further the main objects of the Company.
- 12 To guarantee the payment of money unsecured or secured or payable under or in respect of promissory notes, bonds, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any Authority, Supreme, Municipal, Local or of any persons whether incorporated or not incorporated and to guarantee or become sureties for the performance of any contracts or obligations as may be necessary for the main business of the Company.
- 13 To subscribe for, acquire and hold shares, share-stock, debentures, bonds, debenture-stock, mortgages, obligations, securities of any kind issued or guaranteed by any company (Body corporate undertaking) of whatever nature and whatsoever constituted or carrying on the main business and to subscribe for, acquire and hold shares, debentures and debenture-stocks and debenture-bonds, mortgages, obligations and such other securities issued or guaranteed by any Government, trust, Municipal, local or such other authority or body of whatever nature, whether in India or elsewhere as may be conducive to the main business of the Company.
- 14 Subject to the provisions of section 67 of Companies Act, 2013 to invest other than investment in Company's own shares, any money

of the Company not immediately required in any investments movable or immovable as may be thought proper and to hold, invest in shares or stock in the company as may be necessary for the main business of the Company.

- 15 Subject to Section 73, 179, 180, 185 of the Companies Act, 2013 and the Regulations made thereunder and the directions issued by Reserve Bank of India to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) and to secure the payment of any money borrowed, raised or owing on the mortgage, charge or lien upon all or any of the property or assets of the Company (both present or future) including its uncalled capital and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company, or any other such person or Company, of any obligation undertaken by the Company.
- 16 To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, debentures and other negotiable or transferable instruments or securities.
- 17 To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world, any patents, patent rights, brevets d'inventions, trademarks, designs, licences, protections, and concessions conferring any exclusive or non-exclusive or limited right to their use of information as to any invention, process or privileges which may seem capable of being used for the main objects of the Company or the acquisition of which may seem calculated directly or indirectly, to benefit the company and to use, exercise, develop or grant licences or privileges in respect of the property, rights and information so acquired.
- 18 To spend money in experimenting upon and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
- 19 To do all or any of the main objects either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.
- 20 To acquire and takeover all, or any part of the business property and liabilities of any person, firm or company carrying on or proposing to carry on any business which this Company is authorized to carry on or possess property, suitable for the main business of the Company.
- 21 To procure the registration or recognition of the company in or under the laws of any place outside India.
- 22 To form, incorporate or promote any company or companies whether in India or elsewhere having amongst its or their objects the acquisition of all or any of the assets or controls, management or development of the Company or any other such objects which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its main business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and

to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its main business or in about the promotion of any other such company in which the Company may have any interest.

- 23 Subject to the provisions of the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable), to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal with any person or persons of company or companies carrying on or engaged in the main business of the Company.
- 24 To enter into any arrangements and take all necessary or proper steps with Governments or with other such authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the company or for furthering the interests of the members and to oppose any such steps taken by any other such company, firm or person which may be considered likely, directly or indirectly, to prejudice the interest of the Company or its members, and to assist in the promotion whether directly or indirectly of any legislation which may seem advantageous to the company and to obtain from any such Government Authority and company any charters, contracts, decrees, rights, grants, loans, privileges, or concessions which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, decrees, rights, privileges or concessions.
- 25 To adopt such means of making known the main business of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- 26 (a) To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interests acquired by or belonging to the company in any person of Company on behalf of or for the benefit of the company and with or without any declared trust in favour of the Company.

(b) To accept gifts including by way of awards/prizes from Govt. and semi-Govt. bodies and to give gifts and donations to create trust for the welfare of employees, members, directors and/or their dependents, heirs and children and for deserving object for and other persons.
- 27 To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce and particularly with the trade, including any association, institution or fund for the interests of masters, owners and employers against loss by bad debt, strike, combustion, fire, accident or otherwise or for the benefit of any employee workman or others at any time employed by the Company or any of its predecessors in business or their families or dependents

and whether or not in common with such other persons or classes of persons and in particular of friendly, co-operative and such other societies, reading rooms, libraries, educational and charitable institutions, dining and recreation rooms, churches, chapels, schools, and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose.

- 28 To aid peculiarly or otherwise, any association, body or movement having for an object the solution, settlement of industrial or labour problems or troubles or the promotion of industry or trade.
- 29 To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object of and for exhibition, subject to the provisions of Sections 180 to 183 of the Act.
- 30 To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give, or procure the giving of donations, gratuities, pensions, allowances or emoluments to any person who are or were at any time in the employment or service of the Company or is allied to or associated with the company or with any such subsidiary Company or who are or were at any time Directors or officers of the company as aforesaid and the wives, widows, families and dependants of any such persons and also establish and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well-being of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either, alone or in conjunction with any such other company as aforesaid.
- 31 To invest money with or without security and generally make advance of such sum or sums of money upon or in respect of or for the purchase of raw materials, goods, machinery, stores, or any other property, articles and things required for the purpose of the Company with or without security and upon such terms and subjects to such conditions as the Company may deem expedient.
- 32 To purchase or otherwise acquire and undertake including or by merger, amalgamation or otherwise, the whole or any part of the business, property, rights, assets, liabilities and obligations of any persons, firm or company carrying on any business which the Company is authorized to carry on or possessed of property or rights suitable for any of the purposes of the Company.
- 33 To mortgage, hypothecate, pledge all or any of the properties whether movable or immovable of any description and other valuable securities of the Company.
- 34 Subject to the provisions contained in Section 123 of the Companies Act, 2013, to distribute as dividend or bonus among the members or to place to reserve or otherwise to apply as the company may from time to time think fit, any monies received by way of premium on

shares or debentures issued at a premium by the Company, any moneys otherwise available for distribution as dividend or bonus.

- 35 To enter into contracts or arrangements for undertaking and execution of projects in the fields of engineering generally and to do all acts, matters and things directly related thereto including recruitment of technical and other personnel and to manufacture, buy, sell, repair, hire, store, develop and deal in all kinds of plant and other equipment including for generation, accumulation, transmission, distribution and supply of electricity, solar energy and other forms of power whether for lighting, heating, cooling, sound, communications or otherwise, for domestic, industrial or agricultural purposes.
- 36 To carry on business as manufacture, dealer, stockists, importers and exporters of engineering drawing sets, builders, hardware, steel rules, measuring tapes, cutting tools, hand tools, precision measuring tools, machine tools, garage tools, hardware tools, instruments, apparatus and other machinery, plant equipment, articles, appliances, their components parts, accessories and allied things.
- 37 To manufacture, produce, purchase, sell, import, export or otherwise deals in all types of magnets, magnet products, magnet tools and implements and magnetic remote control devices, motors and generators and to develop, design, assemble, manufacture, fabricate, produce, import, export, buy, sell, operate, run, let on hire, or otherwise deal in plants, machineries, tools, equipments, appliances, spares implements, accessories, petrol and diesel engines for land reclamation, forest cleaning, spraying, threshing, harvesting, sowing, ploughing, digging and all other type of machinery used in agriculture operations, tractors, earth movers and all other like and allied equipments.
- 38 To undertake Corporate Social Responsibility ("CSR") activities
- 39 To do all such other things as may be deemed incidental or conducive to the attainment of the main objects.

IV. The Liability of the members of the Company is Limited to the amount unpaid, if any, on the shares held by them.

As amended vide resolution passed at the Extra Ordinary General Meeting held on 27-06-2015

V. The Authorised Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crores) equity shares of Rs.10/- (Rupees Ten) each.

As amended vide resolution passed at an Extra Ordinary General Meeting held on 26-09-2016

We, the several persons, whose names and addresses, are subscribed, hereto are desirous of being formed into a Company in pursuance of THIS MEMORANDUM OF ASSOCIATION, and we respectively agree to take the number of shares in the Capital of the Company, set opposite our respective names :-

S. No.	Name, Addresses Description and Occupation of each subscriber	Number and type of Shares Equity	Signature of Subscribers	Name, Addresses description and Signatures of witnesses
1.	HCL Infosystems Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019 (Company) Through Mr. Sushil Kumar Jain S/o Shri Kishan Chand Jain R/o A-24, Opposite Shopprix Mall, Sector-61, Noida, U.P.-201301 (Service)	49994 (Forty Nine Thousand Nine Hundred Ninty Four Equity Shares)	Sd/-	<p>I witness the signatures of all the subscribers who have signed in my presence</p> <p>Sd/- (Narendra Khanna) S/o Shri Lalpat Rai Khanna R/o 94, SFS Flats, Sector-11, Rohini, Delhi-110085 ACS : 5155 CP : 4465</p>
2.	Jayanthy Venkata Ramamurthy S/o Dr. Jayanthy Sriramam R/o D-68, Sector-40, Noida, UP (Service) Nominee of HCL Infosystems Limited	1 (One) Equity Share	Sd/-	
3.	Sandeep Kanwar S/o Shri Kunwar Virender Singh R/o N/18-C, Saket, New Delhi-110017 (Service) Nominee of HCL Infosystems Limited	1 (One) Equity Share	Sd/-	
4.	Mukesh Jain S/o Shri Sumat Prasad Jain R/o 213, Navniti Apartment, 51, I.P. Extn., Patparganj, Delhi-110092 (Service) Nominee of HCL Infosystems Limited	1 (One) Equity Share	Sd/-	
5.	Kul Bhushan Rattan S/o Shri Vish Nath Rattan R/o 825, Saraswati Vihar, Gurgaon-122002 Haryana (Service) Nominee of HCL Infosystems Limited	1 (One) Equity Share	Sd/-	
6.	Kapil Kapur S/o Late Shri Ravinder Nath Kapoor R/o A-21, Sector-19, Noida, U.P.-201301 (Service) Nominee of HCL Infosystems Limited	1 (One) Equity Share	Sd/-	
7.	Alok Sahu S/o Mr. Govinda Chandra Sahu R/o 107-GF, Ashiana Green Apartments, Inderapuram, Ghaziabad-201014 (Service) Nominee of HCL Infosystems Limited	1 (One) Equity Share	Sd/-	
		50,000 (Fifty Thousand) Equity Shares		

Place : Delhi

Dated : 18-03-2008

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
***ARTICLES OF ASSOCIATION**
OF
DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED

*The following regulations comprised in these Articles of Association were adopted pursuant to members resolution passed at the Extra - Ordinary General Meeting of the Company held on 27th June, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

1. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Regulations. The Regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply to the Company to the extent it is not inconsistent with or repugnant to any of the regulations contained in these Articles. In case of any conflict between these Regulations and other provisions as per Table F, these Regulations will prevail.
2. In these Regulations unless the context otherwise require:
 - (a) "**Act**" means the "Companies Act, 2013" or any previous company law (to the extent applicable) and includes every statutory modification or re-enactment thereof for the time being in force and as amended from time to time and the relevant rules framed thereunder, as amended from time to time. The references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
 - (b) "**Articles**" means these Articles of Association as originally framed or as altered from time to time in accordance with the provisions of the Act.
 - (c) "**Board of Directors**" or "**The Board**" means the collective body of the directors of the Company.
 - (d) "**Capital**" means the capital for the time being raised or authorised to be raised, for the purposes of the Company.
 - (e) "**Company**" means: **DIGILIFE DISTRIBUTION AND MARKETING SERVICES LIMITED.**
 - (f) "**Depositories Act**", means the Depositories Act, 1996, and includes where the context so admits, any re-enactment or statutory modification thereof, for the time being in force.
 - (g) "**Depository**" means a Depository as defined under Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act.

- (h) **"Directors"** means the Director or Directors as the case may be, for the time being of the Company, the Directors assembled at the meeting of the Board or acting by circular resolution under the articles.
- (i) **"General Meeting"** means either an extraordinary general meeting of the Company's shareholders or the annual general meeting of the Company's shareholders.
- (j) **"Office"** means the Registered Office for the time being of the Company.
- (k) **"Register of Members"** means the Register of Member to be kept in pursuance to the provisions of the Act.
- (l) **"Regulations"** means these Articles of Association as originally framed or as altered, from time to time.
- (m) **"Seal"** means the common seal of the Company.
- (n) **"Security(ies)"** means the securities as defined in Clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and includes every statutory modification or re-enactment thereof for the time being in force and as amended from time to time and the relevant rules framed thereunder, as amended from time to time.
- (o) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognised by law as such.
- (p) "month" and "year" means a calendar month and calendar year respectively.
- (q) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.
- (j) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

SHARE CAPITAL

- 3. (a) The authorised share capital of the Company shall be such amounts and be divided into such shares (equity shares and/or preference shares) as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase, consolidate, divide, sub-divide, cancel or reduce the Capital in accordance with the Company's Regulations and legislative provisions for the time being in force on that behalf with the powers to divide the Capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such

- manner as may for the time being be provided by the Regulations of the Company and allowed by law.
- (b) The minimum paid up Capital of the Company will be Rs. 5,00,000/- (Rs. Five Lac).
 - (c) Subject to the provisions of the Act and these Articles, the Company shall have power to issue preference shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company and the Board may, subject to the applicable provisions of the Act, exercise such power in such manner as it thinks fit.
 - (d) Subject to the provisions of the Act and the other applicable provisions of law, the Company may with the approvals of the shareholders of the Company by a special resolution in a General Meeting issue sweat equity shares.
4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit, provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.
5. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

POWER TO PAY COMMISSION

8. (a) The Company may exercise the powers of paying commissions as prescribed under provisions of Section 40 of the Act and the rules made thereunder.
- (b) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

- (c) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

CERTIFICATE

- 9. (a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer or transmission is received by the Company.
 - (i) One certificate for all his shares without payment, or
 - (ii) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.
 - (b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
 - (c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 10. Notwithstanding anything contained in these articles, the Company shall be entitled in accordance with the provisions of the Depositories Act, to dematerialise any or all of its Securities and to offer the same for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in physical and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of the existing shares or any future issue.
 - 11. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

LIEN

- 12. Subject to the provisions of Act the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to Section 123 of the Act. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Clause.

13. The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien provided that no sale shall be made :-
- (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
14. (a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
- (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
15. (a) The proceeds of the sale shall be received by the Company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.
- (b) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

16. (a) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (b) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.
- (c) A call may be revoked or postponed at the discretion of the Board.
17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by instalments.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent or at such lower rate, if any as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
20. (a) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
21. Subject to the provisions of Section 50 and 179 of the Act, the Board :-
- (a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
- (b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.
22. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
23. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the

payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

TRANSFER AND TRANSMISSION OF SECURITIES

24. The Company shall keep a "Register of Transfers" as required and permitted under the Act and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.
25.
 - (a) the instrument of transfer of any Securities in the Company shall be executed by or on behalf of both the transferor and the transferee.
 - (b) The transferor shall be deemed to remain a holder of the Security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be.
26. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
27. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

TRANSFER OF SECURITIES

28. The Board of Directors may, subject to the provisions of Section 58 of the Act decline to register :-
 - (a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or
 - (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
29. The Board may decline to recognise any instrument of transfer unless:-
 - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;

- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
30. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine or as may be prescribed under the Act or any rules. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same. The Directors may cause to be destroyed, all transfer deeds lying with the Company for a period of ten (10) years or more.
31. (a) On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
- (b) There shall be no charge for:
 - (i) registration of shares or debentures.
 - (ii) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
 - (iii) sub-division of renounceable Letters of Right;
 - (iv) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
 - (v) registration of any Powers of Attorney, Letter of Administration and similar other documents.

TRANSMISSION OF SECURITIES

- 32. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (b) Nothing in Clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 33. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from

time to time properly be required by the Board and subject as hereinafter provided, elect, either :-

- (i) to be registered himself as holder of the share; or
 - (ii) to make such transfer of the share as the deceased or insolvent member could have made.
- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
34. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
35. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
36. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

37. The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or other securities or whose name appears as the beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.

FORFEITURE OF SHARES

38. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
39. The notice aforesaid shall:-
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
41. (a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (b) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.
42. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
- (b) The liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
43. (a) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

- (b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
 - (c) The transferee shall thereupon be registered as the holder of the share.
 - (d) The transferee shall not bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
44. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
45. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.
46. The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of the debts, liabilities or engagements of the defaulting Member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such Member or the person (if any) entitled by transmission to the shares so sold.
47. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register of Members in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
48. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
49. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

CONVERSION OF SHARES INTO STOCK

50. The Company may, by an ordinary resolution:-
- (a) convert any paid-up shares into stock; and
 - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
51. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:
- Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
52. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
53. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

SHARE WARRANTS

54. The Company may issue share warrant, subject to and in accordance with, the provisions of the Act and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
55. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.
- (b) Not more than one person shall be recognised as depositor of the share warrant.
- (c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

56. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.
57. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

ALTERATION OF CAPITAL

58. Subject to provisions the Act, the Company may, from time to time, by resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.
59. Subject to the Act, the Company may, by ordinary resolution in general meeting:
- (a) increase its authorized share capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares;
- (c) sub-divide its shares or any of them, into shares of similar amounts than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (d) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
60. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:-
- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.
61. The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.
62. The Company shall have power to establish branch offices, subject to the provisions of the Act or any statutory modifications thereof.

63. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.
64. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of the Act.

BUY-BACK OF SHARES

65. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other Securities as it may think necessary, subject to such limit, upon such terms and conditions and subject to such approvals, permissions, consents as may be permitted by law, from time to time..

GENERAL MEETING

66. Subject to the provisions of the Act, the Company shall, in addition to any other meeting, hold a General Meeting (hereinafter called "Annual General Meeting") at the intervals and in accordance with the requirements of the Act and no more than fifteen (15) months shall elapse between the date of one Annual General Meeting of the Company and that of the next.
67. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.
68. (a) The Board may, whenever it thinks fit or whenever required in terms of the Act, call an Extraordinary General Meeting.
- (b) The Board of Directors of the Company shall on the requisition of such member or members of the Company as is specified in sub-section (2) of Section 100 of the Act, forthwith proceed duly to call an Extra-ordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 100 of the Act and of any statutory modification thereof for the time being shall apply.
- (c) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be redeemed by the Company out of any sum due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

CONDUCT OF GENERAL MEETINGS

69. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.
70. (a) No business shall be transacted at any general meeting, unless a quorum of members is present at the time when the meeting proceeds to business.

- (b) Save as otherwise provided in Section 103 of the Act, a minimum of:-
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand;
 - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
 - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Furthermore, a body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

71. Subject to the provisions of the Act, a minimum 21 (twenty one) days prior written notice shall be given to all the shareholders of the Company of any General Meeting, accompanied by the agenda and supporting documents for such meeting (unless the requisite number of shareholders of the Company as per the Act shall have given a written approval for a meeting to be called at a shorter notice).
72. Where any business consists of special business as specified in the Act, there shall be annexed to the notice a statement complying with provisions of applicable Law.
73. A company or a corporation which is member of the Company may, by a resolution of its board of directors or other governing body, authorize any of its officials or any person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorized by the resolution aforesaid shall be entitled to exercise the same rights and powers on behalf of the company or the corporation which he represents as if he were individual member.

CONDUCT OF MEETINGS

74. The Chairman, of the Board shall preside as Chairman at every General Meeting of the Company.
75. If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.
76. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 (fifteen) minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.
77. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.
- [(a) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.
- (b) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.

- (c) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.
 - (d) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
78. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.]
79. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

VOTES OF MEMBERS

80. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorized under a resolution.
81. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be as laid down in Section 47 of the Act.
82. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.
83. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.
84. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
85. No member shall be entitled to vote at any General Meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares, on which the Company has exercised any right of lien, have been paid.
86. (a) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

- (b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.
87. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
88. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
89. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

90. The number of Directors of the Company shall not be less than three and not more than fifteen.
91. The following shall be the first directors of the Company:-
1. MR. AJAI CHOWDHRY
 2. MR. JAYANTHY VENKATA RAMAMURTHY
 3. MR. SANDEEP KANWAR
92. The Company shall appoint such number of directors as Independent Directors as may be required under the provisions of the Act and rules thereunder, if applicable. The candidates to be appointed as Independent Director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act.
93. The Company shall appoint such number of women directors as may be required under the provisions of the Act and rules thereunder.
94. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
95. (a) Subject to the provisions of the Act and rules made there under each Director may be paid sitting fees for each meeting of the Board or a committee thereof as may be determined by the Board.

- (b) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the Directors equally of is so determined paid on a monthly basis.
 - (c) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
 - (d) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.
 - (e) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with Company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them:-
 - (i) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof;or
 - (ii) In connection with the business of the Company.
96. The Directors shall not be required to hold any qualification shares in the Company.
97. Subject to the provisions of Section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
98. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.

99. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.

100. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.
No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of this Act:

An Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

101. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

102. A person may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.

103. Subject to the provisions of the Act, the office of a Director shall become vacant:-

- (a) on the happening of any of the events provided for in Section 167 of the Act;
- (b) he absents himself from all the meetings of the Board of Directors held during the preceding period of twelve (12) months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;

- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;
 - (e) he becomes disqualified by an order of a court or the Tribunal;
 - (f) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;
 - (g) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be public companies in terms of the Act.
 - (h) in the case of alternate Director on return of the original Director to India , in terms of Section 161 of the Act;
 - (i) he is removed in pursuance of the provisions of this Act;or
 - (j) on resignation of his office by notice in writing and is accepted by the Board.
104. Subject to the provisions of the Act, a Director may resign his office at any time by providing a notice in writing addressed to the Company or to the Board of Directors.
105. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.

POWERS OF BOARD OF DIRECTORS

106. Subject to the provisions of the Act and these Articles, the Board of directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do:
- Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting:
- Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.
107. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that Regulation had not been made.
108. The Board of Directors may pay all expenses incurred in the formation, promotion and registration of the Company.
109. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.

110. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the provisions of Section 184 of the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.

BORROWING POWER

111. Subject to the provisions of Sections 73, 76, 179, and 180 of the Act, and the rules and regulations thereunder and directions issued by the RBI, Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future), or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
112. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit subject to the provisions of Section 73 & 76 of the Act and rules framed thereunder.
113. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time determine.

PROCEEDINGS OF THE BOARD

114. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such meeting. A meeting of the Directors for the time being at which quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.
115. The participation of the Directors by video conferencing or by other audio visual means as permitted under the Act, shall also be counted for the purposes of quorum under the last preceding Article.
116. If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairman may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place or to such day, time and place as the Directors present may determine.
117. (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.
(b) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

118. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General meeting of the Company, but for no other purpose.
119. (a) The Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.
- (b) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.
120. Subject to the restrictions contained in Section 179 and 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The Company shall constitute the following Committees as and when required under provisions of the Act or applicable law:

- (a) Corporate Social Responsibility Committee as may be required under Section 135 of the Act;
- (b) Audit Committee as may be required under Section 177 of the Act;
- (c) Vigil mechanism as may be required under Section 177 of the Act;
- (d) Nomination and Remuneration Committee and Stakeholders Relationship as required under Section 178 of the Act.

The composition and duties of the aforesaid committees shall be as may be prescribed under the Act and rules made there under.

121. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
122. (a) A committee may elect a chairman of its meetings.
- (b) If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.

123. (a) A committee may meet and adjourn as it think proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairman shall have a second or casting vote.
124. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid: or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office was qualified, had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
125. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof; for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

126. Subject to provisions of Section 196 and 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Act and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.
127. The Board may fix the remuneration of such Managing Directors and Whole-time Directors, whether by way of salary or commission or by conferring a right to participate in the profits of the Company or by combination of any of the above.
128. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.
129. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

THE SEAL

130. (a) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (b) Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVES

131. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
132. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends during the financial year out of the as appear to it to be justified by the profits of the Company.
133. (a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
134. (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

135. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
136. (a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
137. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
138. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
139. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

ACCOUNTS

140. (a) The Board shall cause proper books of accounts to be maintained under Sections 128 and 129 of the Act.
- (b) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any or them, shall be open to the inspection of members not being Directors.
- (c) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

141. Balance Sheet and Profit and Loss Account of the Company will be audited by a qualified auditor as per provision of the Act.
142. The Company shall make the requisite annual returns within such timelines as prescribed under Section 92 of the Act.

AUDIT

143. (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

- (b) The auditor shall hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting or such other period permitted under the Act.
- (c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- (d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up in accordance with the provisions of the Act.

CAPITALISATION OF PROFITS

144. The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.
- (a) The Company in General Meeting may, upon the recommendation of the Board resolve:-
 - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in Clause (b) below among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - (b) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in Clause (c) below, either in or towards :-
 - (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).

- (c) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
 - (d) The Board shall give effect to the resolution passed by the Company in pursuance of this Regulation.
145. (a) Whenever such as resolution as aforesaid shall have been passed, the Board shall:-
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
 - (ii) do all acts and things required to give effect thereto.
- (b) The Board shall have full power:-
- (i) to make such provision, by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also
 - (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (c) Any agreement made under such authority shall be effective and binding on all such members.

SECRECY

146. Subject to the provisions of law of land and the Act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the Company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.
147. No Member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director

or the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

WINDING UP

148. Subject to the provisions of the Act and rules made thereunder:-

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

149. Subject to the provisions of the Act, every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act, in which relief is granted to him by the Court.

S.No.	Name, Addresses, Description and Occupation of each Subscriber	Signature of Subscribers	Name, Addresses , description and Signature of Witnesses
1.	HCL Infosystems Limited 806, Siddharth, 96, Nehru Place, New Delhi – 110 019 (Company) Through Mr. Sushil Kumar Jain, S/O Shri Kishan Chand Jain R/O A-24, Opposite Shopprax Mall, Sector- 61, Noida, U.P.- 201301 (Service)	Sd/-	<p>I witness the signatures of all the subscribers Who have signed in my presence</p> <p>Sd/- (Narendra Khanna) S/o Shri Lajpat Rai Khanna R/o 94, SFS Flats, Sector-11, Rohini, Delhi- 110085 ACS: 5155 CP: 4465</p>
2.	Jayanthi Venkata Ramamurthy S/o Dr. Jayanthi Sriramam R/o D-68, Sector-40 Noida, UP (Service) Nominee of HCL Infosystems Limited	Sd/-	
3.	Sandeep Kanwar S/O Shri Kunwar Virender Singh R/O N/18-C, Saket, New Delhi – 110 017 (Service) Nominee of HCL Infosystems Limited	Sd/-	
4.	Mukesh Jain S/O Shri Sumat Prasad Jain R/O 213, Navniti Apartment, 51, I.P. Extn., Patparganj, DELHI-110092 (Service) Nominee of HCL Infosystems Limited	Sd/-	
5.	KUL Bhushan Rattan S/O Shri Vish Nath Rattan R/O 825, Saraswati Vihar, Gurgaon – 122002 Haryana (Service) Nominee of HCL Infosystems Limited	Sd/-	
6.	Kapil Kapur S/O Late Shri Ravinder Nath Kapoor R/O A-21, Sector- 19, NOIDA, U.P - 201301 (Service) Nominee of HCL Infosystems Limited	Sd/-	
7.	ALOK SAHU S/O Mr. Govinda Chandra Sahu R/O 107- GF Ashiana Green Apartments Inderapuram, Ghaziabad- 201 014 (Service) Nominee of HCL Infosystems Limited	Sd/-	

Place : DELHI

Dated: 18-03-2008

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
HCL LEARNING LIMITED**



प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U80900DL2012PLC242907

2012 - 2013

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

HCL Learning Limited

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक अठारह सितम्बर दो हजार बारह को दिल्ली में जारी किया जाता है।

Form 1
Certificate of Incorporation

Corporate Identity Number : U80900DL2012PLC242907

2012 - 2013

I hereby certify that HCL Learning Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given at Delhi this Twenty Eighth day of September Two Thousand Twelve.

Registrar of Companies, National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

*Note: The corresponding form has been approved by DEVENDRA KUMAR SHARMA, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2008. The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

HCL Learning Limited

806, SIDDHARTH., 96, NEHRU PLACE,

NEW DELHI - 110019,

Delhi, INDIA





व्यापार प्रारंभ करने का प्रमाण-पत्र

कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U80900DL2012PLC242907

मैं एतद्वारा सत्यापित करता हूँ कि मैरार्स
HCL Learning Limited

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक अठारह सितम्बर दो हजार बारह को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए इकट्ठा है।

यह प्रमाण-पत्र आज दिनांक तेरह दिसम्बर दो हजार बारह को दिल्ली में जारी किया जा रहा है।

Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U80900DL2012PLC242907

I hereby certify that the HCL Learning Limited which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Twenty Eighth day of September Two Thousand Twelve, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given at Delhi this Thirteenth day of December Two Thousand Twelve.

Registrar of Companies, National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

*Note: The corresponding form has been approved by Tiaania -, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006. The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

HCL Learning Limited
806, SIDDHARTH,, 98, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA





GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Delhi

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi, Delhi, INDIA, 110019

Corporate Identity Number : U80900DL2012PLC242907.

SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The share holders of M/s HCL Learning Limited having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 27/06/2015 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Delhi this Twenty Eighth day of July Two Thousand Fifteen.

SHYAM NARAYAN TIWARY
Registrar of Companies
Registrar of Companies
Delhi

Mailing Address as per record available in Registrar of Companies office:

HCL Learning Limited
806, SIDDHARTH., 95, NEHRU PLACE,
NEW DELHI - 110019,
Delhi, INDIA





GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Delhi
4th Floor, IFCI Tower 61, New Delhi, Delhi, India, 110019

Corporate Identity Number: U80900DL2012PLC242907

SECTION 13(1) OF THE COMPANIES ACT, 2013

**Certificate of Registration of the Special Resolution Confirming Alteration of
Object Clause(s)**

The shareholders of M/s HCL LEARNING LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 09-03-2018 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at New Delhi this Twenty fourth day of March Two thousand eighteen.

DD Ministry of
Corporate Affairs -
Govt of India) 23

AKSHAYA KUMAR SAHOO
Deputy Registrar of Companies
Registrar of Companies
RoC - Delhi

Mailing Address as per record available in Registrar of Companies office:

HCL LEARNING LIMITED

808, SIDDHARTH,, 96, NEHRU PLACE, NEW DELHI, South Delhi, Delhi,
India, 110019



THE COMPANIES ACT, 2013
AND
THE COMPANIES ACT, 1956 (to the extent applicable)
(PUBLIC COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
HCL LEARNING LIMITED

- I. The Name of the Company is HCL Learning Limited,
- II. The Registered Office of the Company will be situated in the National Capital Territory of Delhi,
- III. The objects for which the Company is established are:-
 - (A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:-
 1. To carry on in India or anywhere in the world all or any of the business or businesses to own, run, manage, administer or otherwise acquire schools, colleges, education institutions or training centres for imparting training in the development, assemble, operation, support, implement, administer, configure, install, maintain, diagnose and repair of the computers hardware and training in information technology, software solutions, information and data banks, networking, server technology, data processing, telecommunication and other allied activities.
 2. To develop, handle, upgrade, licence, sub-licence and deal with content for a wide range of target audiences, businesses, corporates, schools, users in schools, higher education institutions, universities, and professional educational settings and the services which covers the entire length and breadth of education, learning and training needs across schools, colleges, universities, individuals and enterprises.
 3. To carry on in India or anywhere in the world all or any of the business of providing and supply of end-to-end turnkey advanced education solutions to schools, institutions and universities across the country in the government and private sector and establish the DigiSchool and DigiCampus for schools and colleges, to affiliate itself, or associate with other institutions, establish faculties and to select faculty members and decide courses and teaching methods and strategies in order to ensure the most effective education programmes.
 4. To carry on in India or anywhere in the world all or any of the business of computer education, in all fields of softwares, hardware, and marketing by organizing courses, running bureaus, publishing books, magazines, notes and other materials in typed, cyclostyled, video, audio or any other forms/mod as and to set up wide area and local network for educational and research purpose.

As amended with
resolution passed
at 17th Extra
Ordinary General
Meeting held on
27-06-2015

5. To offer consultancy, advisory and all related services in all areas of information technology including, but not limited to computer hardware and software, data communication, telecommunications, manufacturing and process control and automation, artificial intelligence, natural language processing and to undertake research and development, promote excellence and leadership in computer science, modern mathematics, and to provide for such research and development including conducting and participating in seminars, workshops, exhibitions, conferences and the like and to obtain technical know-how, literature, brochures, technical data etc.
6. To own, run, manage, administer or acquire in India or anywhere in the world, schools, colleges, education institutions, training centers or skill development centers for education, training or skill development and to develop software and contents for instructional material and educational and training curricula.

(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A:-

1. To establish, provide, maintain and conduct research and development in the field of the main business of the Company.
2. To purchase and otherwise acquire, own, import, all materials, substances, appliances, machines, containers and such other articles and apparatus and things capable of being used in any of the main business and to own, lease and otherwise acquire and use facilities of whatever kind as may be convenient or useful or conducive to the effective working of the main business of the Company.
3. To acquire, build, alter, maintain, enlarge, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery and conveniences which may seem necessary to achieve the main objects of the company.
4. To buy, repair, alter, improve, exchange, import, works, plants, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in the main business of this company.
5. To purchase, take on lease or tenancy or in exchange, hire take, options over or otherwise acquire any estate or interests, whatsoever and to hold, develop work, concessions, grants, decrees, licences, privileges, claims, options, leases, property, real or personal or rights or powers of any kinds which may appear to be necessary for the main business of the Company.
6. To pay for preliminary and pre-incorporation expenses of the Company.
7. To exchange, mortgage, grant licences, easements, options and such other rights over and dispose off the whole or any part of the undertaking, property assets, rights and effects of the Company for such consideration as may be thought fit and in particular for stocks, shares, debentures whether fully or partly paid up.
8. To pay for any rights or property acquired by the Company and to remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company as paid up in full.

9. To advance money, either with or without security and give credit to such persons (including Government) and upon such terms and conditions as the Company may deem fit, provided that the Company shall not carry on banking business within the meaning of Banking Regulations Act, 1949.
10. To undertake financial and commercial obligations, transactions and operations of all kinds.
11. To guarantee the performance of any contract or obligations and the payment of money or dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered directly or indirectly to further the main objects of the Company.
12. To guarantee the payment of money unsecured or secured or payable under or in respect of promissory notes, bonds, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any Authority, Supreme, Municipal, Local or of any persons whether incorporated or not incorporated and to guarantee or become sureties for the performance of any contracts or obligations as may be necessary for the main business of the Company.
- 13.* To subscribe for, acquire and hold shares, share-stock, debentures, bonds, debenture-stock, mortgages, obligations, securities of any kind issued or guaranteed by any company (Body corporate undertaking) of whatever nature and whatsoever constituted or carrying on the business, altogether or in part similar to those of the Company or carrying of any business capable of being conducted so as to directly or indirectly benefit the Company and to subscribe for, acquire and hold shares, debentures and debenture-stocks and debenture bonds mortgages, obligations and such other securities issued or guaranteed by any Government, trust, Municipal, local or such other authority or body of whatever nature, whether in India or elsewhere as may be conducive to the business, altogether or in part similar to that of the Company or carrying of any business capable of being conducted so as to directly or indirectly benefit the Company.
- 14.* To take, purchase, or otherwise acquire and hold shares, securities, voting rights or other interest in any other Company, having objects altogether or in part similar to those of this Company or carrying of any business capable of being conducted so as to directly or indirectly benefit this Company.
15. Subject to Section 73, 179, 180, 185 and 186 of the Companies Act, 2013 and the Regulations made thereunder and the directions issued by Reserve Bank of India to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) and to secure the payment of any money borrowed, raised or owing on the mortgage, charge or lien upon all or any of the property or assets of the Company (both present or future) including its uncalled capital and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company, or any other such person or Company, of any obligation undertaken by the Company.
16. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, debentures and other negotiable or transferable instruments or securities.

* Amended Vide Shareholders Resolution dated 9th March, 2018.

17. To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world, any patents, patent rights, brevets d'inventions, trademarks, licences, protections, and concessions conferring any exclusive or non-exclusive or limited right to their use of information as to any invention, process or privileges which may seem capable of being used for the main objects of the Company or the acquisition of which may seem calculated directly or indirectly, to benefit the company and to use, exercise, develop or grant licences or privileges in respect of the property, rights and information so acquired.
18. To spend money in experimenting upon and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
19. To do all or any of the main objects either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.
20. To acquire and takeover all, or any part of the business property and liabilities of any person, firm or company carrying on or proposing to carry on any business which this Company is authorised to carry on or possess property, suitable for the main business of the Company.
21. To procure the registration or recognition of the company in or under the laws of any place outside India.
22. To form, incorporate or promote any company or companies whether in India or elsewhere having amongst its or their objects the acquisition of all or any of the assets or controls, management or development of the Company or any other such objects which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its main business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its main business or in about the promotion of any other such company in which the Company may have any interest.
23. Subject to the provisions of Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable), to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or rediprocal with any person or persons of company or companies carrying on or engaged in the main business of the Company.
24. To enter into any arrangements and take all necessary or proper steps with Governments or with other such authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the company or for furthering the interests of the members and to oppose any such steps taken by any other such company, firm or person which may be considered likely, directly or indirectly, to prejudice the interest of the Company or its members, and to assist in the promotion whether directly or indirectly of any legislation which may seem advantageous to the company and to obtain from any

such Government Authority and company any charters, contracts, decrees, rights, grants, loans, privileges, or concessions which the company may think it desirable to obtain and carry out, exercise and comply with any such arrangements, charters, decrees, rights, privileges or concessions.

25. To adopt such means of making known the main business of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards.
26. (a) To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interests acquired by or belonging to the company in any person of Company on behalf of or for the benefit of the company and with or without any declared trust in favour of the Company.

(b) To accept gifts including by way of awards/prizes from Govt. and semi-Govt. bodies and to give gifts to create trust for the welfare of employees, members, directors and/or their dependents, heirs and children and for deserving object for and other persons.
27. To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce and particularly with the trade, including any association, institution or fund for the interests of masters, owners and employers against loss by bad debt, strike, combustion, fire, accident or otherwise or for the benefit of any employee workman or others at any time employed by the Company or any of its predecessors in business or their families or dependents and whether or not in common with such other persons or classes of persons and in particular of friendly, co-operative and such other societies, reading rooms, libraries, educational and charitable institutions, dining and recreation rooms, churches, chapels, schools, and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose.
28. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement of industrial or labour problems or troubles or the promotion of industry or trade.
29. To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object of and for exhibition, subject to the provisions of Sections 180 to 183 of the Act.
30. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give, or procure the giving of gratuities, pensions, allowances or emoluments to any person who are or were at any time in the employment or service of the Company or is allied to or associated with the company or with any such subsidiary Company or who are or were at any time Directors or officers of the company as aforesaid and the wives, widows, families and dependants of any such persons and also establish and subscribe to any institutions, associations,

clubs or funds calculated to be for the benefit of or to advance the interest and well-being of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either, alone or in conjunction with any such other company as aforesaid.

31. To invest money with or without security and generally make advance of such sum or sums of money upon or in respect of or for the purchase of raw materials, goods, machinery, stores, or any other property, articles and things required for the purpose of the Company with or without security and upon such terms and subjects to such conditions as the Company may deem expedient.
32. To purchase or otherwise acquire and undertake including or by merger, amalgamation or otherwise, the whole or any part of the business, property, rights, assets, liabilities and obligations of any persons, firm or company carrying on any business which the Company is authorized to carry on or possessed of property or rights suitable for any of the purposes of the Company.
33. To mortgage, hypothecate, pledge all or any of the properties whether movable or immovable of any description and other valuable securities of the Company.
34. Subject to the provisions contained in Section 123 of the Companies Act, 2013, to distribute as dividend or bonus among the members or to place to reserve or otherwise to apply as the company may from time to time think fit, any monies received by way of premium on shares or debentures issued at a premium by the Company, any moneys otherwise available for distribution as dividend or bonus.
35. To enter into contracts or arrangements for undertaking and execution of projects in the fields of engineering generally and to do all acts, matters and things directly related thereto including recruitment of technical and other personnel and to manufacture, buy, sell, repair, hire, store, develop and deal in all kinds of plant and other equipment including for generation, accumulation, transmission, distribution and supply of electricity, solar energy and other forms of power whether for lighting, heating, cooling, sound, communications or otherwise, for domestic, industrial or agricultural purposes.
36. To carry on business as manufacture, dealer, stockists, importers and exporters of engineering drawing sets, builders, hardware, steel rules, measuring tapes, cutting tools, hand tools, precision measuring tools, machine tools, garage tools, hardware tools, instruments, apparatus and other machinery, plant equipment, articles, appliances, their components parts, accessories and allied things.
37. To manufacture, produce, purchase, sell, import, export or otherwise deals in all types of magnets, magnet products, magnet tools and implements and magnetic remote control devices, motors and generators and to develop, assemble, manufacture, fabricate, produce, import, export, buy, sell, operate, run, let on hire, or otherwise deal in plants, machineries, tools, equipments, appliances, spares implements, accessories, petrol and diesel engines for land reclamation, forest cleaning, spraying, threshing, harvesting, sowing, ploughing, digging and all other type of machinery used in agriculture operations, tractors, earth movers and all other like and allied equipments.

38. To undertake Corporate Social Responsibility ("CSR") activities.
39. To do all such other things as may be deemed incidental or conducive to the attainment of the main objects.
- IV. The Liability of the members of the Company is limited to the amount unpaid, if any, on the shares held by them.
- As amended vide resolution passed at the Extra Ordinary General Meeting held on 27-06-2015

As amended vide resolution passed at the Extra Ordinary General Meeting held on 22.09.2015

- V. The Authorized Share Capital of the Company is Rs. 10,00,000/- (Rupees Ten Lac) divided into 1,00,000 (One Lac) Equity Shares of Rs. 10/- (Rupees Ten only) each

We the several persons, whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:-

S.No.	Name, address, description and occupation of each Subscriber	No. of equity share taken by each Subscriber	Signature of Subscriber	Name, address & description of Witness
1.	HCL Infosystems Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019 (Body Corporate) Through Mr. Sushil Kumar Jain S/o Sh. Kishan Chand Jain R/o D-166/14, Sector-50, Noida, U.P- 201301 (Service) As An Authorised Representative	49,999 (Forty Nine Thousand Nine Hundred Ninety Four) Equity Shares	Sd/-	I witness the signatures of the subscribers to the Articles of Association of the Company VINEET K CHAUDHARY S/o Late Ch. Jeepral Singh R/o C-140, Sector-51, Noida-201301 PRACTISING COMPANY SECRETARY C.P. NO. 4548
2.	Mr. Harshvardhan Madhav Chitale S/o Sh. Madhav Atmaram Chitale R/o Tower P-3, Ground Floor 1, ATS Greens Village, Sector 93A, Noida -201304 (Service) As a Nominee of HCL Infosystems Limited	1(One) Equity Share	Sd/-	
3.	Mr. Sandeep Karwar S/o Sh. Kunwar Virender Singh R/o N/18-C, Saket, New Delhi-110017 (Service) As a Nominee of HCL Infosystems Limited	1(One) Equity Share	Sd/-	
4.	Mr. Mukesh Jain S/o Sumat Prasad Jain R/o 213, Navniti Apartment, SI, I.P. Extension, Patparganj, Delhi-110092 (Service) As a Nominee of HCL Infosystems Limited	1(One) Equity Share	Sd/-	
5.	Mr. Kul Bhushan Rattan S/o Sh. Vish Nath Rattan R/o 825, Saraswati Vihar, Gurgaon - 122002 (Service) As a Nominee of HCL Infosystems Limited	1(One) Equity Share	Sd/-	
6.	Mr. Alok Sahu S/o Govinda Chandra Sahu R/o 107 GF, Ashiana Greens Apartments, Indrapuram, Ghaziabad-201014 (Service) As a Nominee of HCL Infosystems Limited	1(One) Equity Share	Sd/-	
7.	Mr. Kapi Kapur S/o Late Sh. Ravinder Nath Kapoor R/o A-21, Sector-19, Noida U.P-201301 (Service) As a Nominee of HCL Infosystems Limited	1(One) Equity Share	Sd/-	
	TOTAL	50,000 (Fifty Thousand) Equity Shares		

DATE: 24.09.2012

PLACE: Noida

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
***ARTICLES OF ASSOCIATION**
OF
HCL LEARNING LIMITED

*The following regulations comprised in these Articles of Association were adopted pursuant to members resolution passed at the Extra - Ordinary General Meeting of the Company held on 27th June, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

1. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Regulations. The Regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply to the Company to the extent it is not inconsistent with or repugnant to any of the regulations contained in these Articles. In case of any conflict between these Regulations and other provisions as per Table F, these Regulations will prevail.
2. In these Regulations unless the context otherwise require:
 - (a) "**Act**" means the "Companies Act, 2013" or any previous company law (to the extent applicable) and includes every statutory modification or re-enactment thereof for the time being in force and as amended from time to time and the relevant rules framed thereunder, as amended from time to time. The references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
 - (b) "**Articles**" means these Articles of Association as originally framed or as altered from time to time in accordance with the provisions of the Act.
 - (c) "**Board of Directors**" or "**The Board**" means the collective body of the directors of the Company.
 - (d) "**Capital**" means the capital for the time being raised or authorised to be raised, for the purposes of the Company.
 - (e) "**Company**" means: **HCL LEARNING LIMITED.**
 - (f) "**Depositories Act**", means the Depositories Act, 1996, and includes where the context so admits, any re-enactment or statutory modification thereof, for the time being in force.
 - (g) "**Depository**" means a Depository as defined under Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act.

- (h) **"Directors"** means the Director or Directors as the case may be, for the time being of the Company, the Directors assembled at the meeting of the Board or acting by circular resolution under the articles.
- (i) **"General Meeting"** means either an extraordinary general meeting of the Company's shareholders or the annual general meeting of the Company's shareholders.
- (j) **"Office"** means the Registered Office for the time being of the Company.
- (k) **"Register of Members"** means the Register of Member to be kept in pursuance to the provisions of the Act.
- (l) **"Regulations"** means these Articles of Association as originally framed or as altered, from time to time.
- (m) **"Seal"** means the common seal of the Company.
- (n) **"Security(ies)"** means the securities as defined in Clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and includes every statutory modification or re-enactment thereof for the time being in force and as amended from time to time and the relevant rules framed thereunder, as amended from time to time.
- (o) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognised by law as such.
- (p) "month" and "year" means a calendar month and calendar year respectively.
- (q) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.
- (j) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.

SHARE CAPITAL

- 3. (a) The authorised share capital of the Company shall be such amounts and be divided into such shares (equity shares and/or preference shares) as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase, consolidate, divide, sub-divide, cancel or reduce the Capital in accordance with the Company's Regulations and legislative provisions for the time being in force on that behalf with the powers to divide the Capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

- (b) The minimum paid up Capital of the Company will be Rs. 5,00,000/- (Rs. Five Lac).
 - (c) Subject to the provisions of the Act and these Articles, the Company shall have power to issue preference shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company and the Board may, subject to the applicable provisions of the Act, exercise such power in such manner as it thinks fit.
 - (d) Subject to the provisions of the Act and the other applicable provisions of law, the Company may with the approvals of the shareholders of the Company by a special resolution in a General Meeting issue sweat equity shares.
4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit, provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.
 5. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
 6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
 7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

POWER TO PAY COMMISSION

8.
 - (a) The Company may exercise the powers of paying commissions as prescribed under provisions of Section 40 of the Act and the rules made thereunder.
 - (b) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
 - (c) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

CERTIFICATE

9. (a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer or transmission is received by the Company.
- (i) One certificate for all his shares without payment, or
- (ii) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.
- (b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- (c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
10. Notwithstanding anything contained in these articles, the Company shall be entitled in accordance with the provisions of the Depositories Act, to dematerialise any or all of its Securities and to offer the same for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in physical and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of the existing shares or any future issue.
11. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

LIEN

12. Subject to the provisions of Act the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to Section 123 of the Act. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Clause.

13. The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien provided that no sale shall be made :-
- (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
14. (a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
- (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
15. (a) The proceeds of the sale shall be received by the Company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.
- (b) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

16. (a) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (b) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.
- (c) A call may be revoked or postponed at the discretion of the Board.
17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by instalments.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent or at such lower rate, if any as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
20. (a) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
21. Subject to the provisions of Section 50 and 179 of the Act, the Board :-
- (a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
- (b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.
22. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
23. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

TRANSFER AND TRANSMISSION OF SECURITIES

24. The Company shall keep a "Register of Transfers" as required and permitted under the Act and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.
25. (a) the instrument of transfer of any Securities in the Company shall be executed by or on behalf of both the transferor and the transferee.
- (b) The transferor shall be deemed to remain a holder of the Security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be.
26. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
27. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

TRANSFER OF SECURITIES

28. The Board of Directors may, subject to the provisions of Section 58 of the Act decline to register :-
- (a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or
- (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
29. The Board may decline to recognise any instrument of transfer unless:-
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

- (c) the instrument of transfer is in respect of only one class of shares.
30. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine or as may be prescribed under the Act or any rules. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same. The Directors may cause to be destroyed, all transfer deeds lying with the Company for a period of ten (10) years or more.
31. (a) On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
- (b) There shall be no charge for:
- (i) registration of shares or debentures.
 - (ii) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
 - (iii) sub-division of renounceable Letters of Right;
 - (iv) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
 - (v) registration of any Powers of Attorney, Letter of Administration and similar other documents.

TRANSMISSION OF SECURITIES

32. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (b) Nothing in Clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
33. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either :-

- (i) to be registered himself as holder of the share; or
 - (ii) to make such transfer of the share as the deceased or insolvent member could have made.
 - (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
34. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
35. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
36. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
37. The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or other securities or whose name appears as the beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.

FORFEITURE OF SHARES

38. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
39. The notice aforesaid shall:-
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
41. (a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (b) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.
42. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
- (b) The liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
43. (a) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- (c) The transferee shall thereupon be registered as the holder of the share.

- (d) The transferee shall not bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
44. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
45. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.
46. The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of the debts, liabilities or engagements of the defaulting Member and the residue, (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such Member or the person (if any) entitled by transmission to the shares so sold.
47. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register of Members in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
48. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
49. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

CONVERSION OF SHARES INTO STOCK

50. The Company may, by an ordinary resolution:-
- (a) convert any paid-up shares into stock; and
 - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.

51. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:

Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

52. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
53. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

SHARE WARRANTS

54. The Company may issue share warrant, subject to and in accordance with, the provisions of the Act and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
55. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.
- (b) Not more than one person shall be recognised as depositor of the share warrant.
- (c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
56. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Member as the holder of the shares included in the warrant and he shall be deemed to be a member of the Company in respect thereof.

57. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

ALTERATION OF CAPITAL

58. Subject to the provisions of the Act, the Company may, from time to time, by passing the resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.
59. Subject to the Act, the Company may, by ordinary resolution in general meeting:
- (a) increase its authorized share capital by such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares;
 - (c) sub-divide its shares or any of them, into shares of similar amounts than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (d) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled.
60. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:-
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.
61. The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.
62. The Company shall have power to establish branch offices, subject to the provisions of the Act or any statutory modifications thereof.
63. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.
64. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of the Act.

BUY-BACK OF SHARES

65. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other Securities as it may think necessary, subject to such limit, upon such terms and conditions and subject to such approvals, permissions, consents as may be permitted by law, from time to time..

GENERAL MEETING

66. Subject to the provisions of the Act, the Company shall, in addition to any other meeting, hold a General Meeting (hereinafter called "Annual General Meeting") at the intervals and in accordance with the requirements of the Act and no more than fifteen (15) months shall elapse between the date of one Annual General Meeting of the Company and that of the next.
67. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.
68. (a) The Board may, whenever it thinks fit or whenever required in terms of the Act, call an Extraordinary General Meeting.
- (b) The Board of Directors of the Company shall on the requisition of such member or members of the Company as is specified in sub-section (2) of Section 100 of the Act, forthwith proceed duly to call an Extra-ordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 100 of the Act and of any statutory modification thereof for the time being shall apply.
- (c) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be redeemed by the Company out of any sum due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

CONDUCT OF GENERAL MEETINGS

69. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.
70. (a) No business shall be transacted at any general meeting, unless a quorum of members is present at the time when the meeting proceeds to business.
- (b) Save as otherwise provided in Section 103 of the Act, a minimum of:-
- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand;
 - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
 - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Furthermore, a body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

71. Subject to the provisions of the Act, a minimum 21 (twenty one) days prior written notice shall be given to all the shareholders of the Company of any General Meeting, accompanied by the agenda and supporting documents for such meeting (unless the requisite number of shareholders of the Company as per the Act shall have given a written approval for a meeting to be called at a shorter notice).
72. Where any business consists of special business as specified in the Act, there shall be annexed to the notice a statement complying with provisions of applicable Law.
73. A company or a corporation which is member of the Company may, by a resolution of its board of directors or other governing body, authorize any of its officials or any person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorized by the resolution aforesaid shall be entitled to exercise the same rights and powers on behalf of the company or the corporation which he represents as if he were individual member.

CONDUCT OF MEETINGS

74. The Chairman, of the Board shall preside as Chairman at every General Meeting of the Company.
75. If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.
76. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 (fifteen) minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.
77. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.
 - [(a) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.
 - (b) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.
 - (c) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.
 - (d) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
78. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.]

79. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

VOTES OF MEMBERS

80. Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorized under a resolution.
81. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be as laid down in Section 47 of the Act.
82. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.
83. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.
84. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
85. No member shall be entitled to vote at any General Meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares, on which the Company has exercised any right of lien, have been paid.
86. (a) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.
87. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

88. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
89. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

90. The number of Directors of the Company shall not be less than three and not more than fifteen.
91. The following shall be the first directors of the Company:-
1. MR. HARSHAVARDHAN MADHAV CHITALE
 2. MR. SANDEEP KANWAR
 3. MR. ROTHIN BHATTACHARYA
92. The Company shall appoint such number of directors as Independent Directors as may be required under the provisions of the Act and rules thereunder, if applicable. The candidates to be appointed as Independent Director shall hold such qualifications and shall comply with such conditions as may be prescribed under the Act.
93. The Company shall appoint such number of women directors as may be required under the provisions of the Act and rules thereunder.
94. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
95. (a) Subject to the provisions of the Act and rules made there under each Director may be paid sitting fees for each meeting of the Board or a committee thereof as may be determined by the Board.
- (b) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the Directors equally or if so determined paid on a monthly basis.
- (c) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

- (d) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.
 - (e) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with Company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them:-
 - (i) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof;
 - (ii) In connection with the business of the Company.
96. The Directors shall not be required to hold any qualification shares in the Company.
97. Subject to the provisions of Section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
98. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.
99. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.

100. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.
No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of this Act:

An Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

101. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
102. A person may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.
103. Subject to the provisions of the Act, the office of a Director shall become vacant:-
- (a) on the happening of any of the events provided for in Section 167 of the Act;
 - (b) he absents himself from all the meetings of the Board of Directors held during the preceding period of twelve (12) months with or without seeking leave of absence of the Board;
 - (c) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
 - (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;
 - (e) he becomes disqualified by an order of a court or the Tribunal;
 - (f) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;
 - (g) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be public companies in terms of the Act.
 - (h) in the case of alternate Director on return of the original Director to India, in terms of Section 161 of the Act;

- (i) he is removed in pursuance of the provisions of this Act; or
 - (j) on resignation of his office by notice in writing and is accepted by the Board
104. Subject to the provisions of the Act, a Director may resign his office at any time by providing a notice in writing addressed to the Company or to the Board of Directors.
105. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.

POWERS OF BOARD OF DIRECTORS

106. Subject to the provisions of the Act and these Articles, the Board of directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do;

Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting;

Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

107. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that Regulation had not been made
108. The Board of Directors may pay all expenses incurred in the formation, promotion and registration of the Company.
109. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.
110. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the provisions of Section 184 of the Act being made whenever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.

BORROWING POWER

111. Subject to the provisions of Sections 73, 76, 179, and 180 of the Act, and the rules and regulations thereunder and directions issued by the RBI, Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future), or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

112. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit subject to the provisions of Section 73 & 76 of the Act and rules framed thereunder.
113. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time determine.

PROCEEDINGS OF THE BOARD

114. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such meeting. A meeting of the Directors for the time being at which quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.
115. The participation of the Directors by video conferencing or by other audio visual means as permitted under the Act, shall also be counted for the purposes of quorum under the last preceding Article.
116. If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned until such date and at such time and place as the Chairman may appoint and in default of such appointment to the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place or to such day, time and place as the Directors present may determine.
117. (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.
(b) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
118. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General meeting of the Company, but for no other purpose.
119. (a) The Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.
(b) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.

120. Subject to the restrictions contained in Section 179 and 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The Company shall constitute the following Committees as and when required under provisions of the Act or applicable law:

- (a) Corporate Social Responsibility Committee as may be required under Section 135 of the Act;
- (b) Audit Committee as may be required under Section 177 of the Act;
- (c) Vigil mechanism as may be required under Section 177 of the Act;
- (d) Nomination and Remuneration Committee and Stakeholders Relationship as required under Section 178 of the Act.

The composition and duties of the aforesaid committees shall be as may be prescribed under the Act and rules made there under.

121. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
122. (a) A committee may elect a chairman of its meetings.
- (b) If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.
123. (a) A committee may meet and adjourn as it think proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairman shall have a second or casting vote.
124. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid: or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointment of any of them

had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office was qualified, had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

125. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

126. Subject to provisions of Section 196 and 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Act and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.
127. The Board may fix the remuneration of such Managing Directors and Whole-time Directors, whether by way of salary or commission or by conferring a right to participate in the profits of the Company or by combination of any of the above.
128. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.
129. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

THE SEAL

130. (a) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.

(b) The Seal of the Company shall not be affixed except by the authority of a resolution of the Board or a Committee of a Board authorized by it in that behalf and:

- i. *in case of share certificate: as per the provisions of Section 48 and rules thereunder*
- ii. *any other instrument in the presence of any one(1) Director and the Secretary or such other person as the Board may appoint; and those one(1) Director and the Secretary or such other person aforesaid shall sign the instrument to which the seal of the Company is so affixed in their presence.*

DIVIDENDS AND RESERVES

131. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
132. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends during the financial year out of the as appear to it to be justified by the profits of the Company.
133. (a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
134. (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
135. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
136. (a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

- (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 137. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 138. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 139. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

ACCOUNTS

- 140. (a) The Board shall cause proper books of accounts to be maintained under Sections 128 and 129 of the Act.
- (b) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any or them, shall be open to the inspection of members not being Directors.
- (c) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- 141. Balance Sheet and Profit and Loss Account of the Company will be audited by a qualified auditor as per provision of the Act.
- 142. The Company shall make the requisite annual returns within such timelines as prescribed under Section 92 of the Act.

AUDIT

- 143. (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- (b) The auditor shall hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting or such other period permitted under the Act.
- (c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- (d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but

where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up in accordance with the provisions of the Act.

CAPITALISATION OF PROFITS

144. The Board may, before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.
- (a) The Company in General Meeting may, upon the recommendation of the Board resolve:-
- (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in Clause (b) below among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in Clause (c) below, either in or towards :-
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
- (c) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the Company in pursuance of this Regulation.
145. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:-

- (g) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
 - (h) do all acts and things required to give effect thereto.
- (b) The Board shall have full power:-
- (i) to make such provision, by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also
 - (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (c) Any agreement made under such authority shall be effective and binding on all such members.

SECRECY

146. Subject to the provisions of law of land and the Act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the Company shall, if so required by the Board of Directors before entering upon his duties, sign declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.
147. No Member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Director or the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

WINDING UP

148. Subject to the provisions of the Act and rules made thereunder:-
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

149. Subject to the provisions of the Act, every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 163 of the Act, in which relief is granted to him by the Court.

S.No.	Name, address, description and occupation of each Subscriber	Signature of Subscriber	Name, address & description of Witness
1.	HCL Infosystems Limited 806, Siddharth, 95, Nidiru Place, New Delhi-110019(Body Corporate) Through Mr. Sushil Kumar Jain S/o Sh. Kishan Chand Jain R/o D-156/44, Sector-50, Noida, U.P- 201301 (Service) As An Authorised Representative	Sd/-	<p>I witness the signatures of the subscribers to the Articles of Association of the Company</p> <p>VINEET K. CHAUDHARY S/o Late Ch. Jaipal Singh R/o C-140, Sector-51, Noida-201301 PRACTISING COMPANY SECRETARY C.P. NO. 4548</p>
2.	Mr. Harshavardhan Madhav Chilale S/o Sh. Madhav Atambaram Chilale R/o Tower P-3, Ground Floor 1. A'S Greens Village, Sector 93A, Noida -201304(Service) As a Nominee of HCL Infosystems Limited	Sd/-	
3.	Mr. Sandeep Kanwar S/o Sh. Kunwar Virender Singh R/o H/18-C, Saket, New Delhi-110017(Service) As a Nominee of HCL Infosystems Limited	Sd/-	
4.	Mr. Mukesh Jain S/o Sumat Prasad Jain R/o 213, Navmiti Apartment, 51, 1P Extension, Patparganj, Delhi-110092 (Service) As a Nominee of HCL Infosystems Limited	Sd/-	
5.	Mr. Kul Bhushan Rattan S/o Sh. Vish Nath Rattan R/o 825, Saraswati Vilas, Gurgaon - 122002 (Service) As a Nominee of HCL Infosystems Limited	Sd/-	
6.	Mr. Alok Sahu S/o Govinda Chandra Sahu R/o 107 GF, Ashiana Greens Apartments, Indrapuram, Ghaziabad-201014 (Service) As a Nominee of HCL Infosystems Limited	Sd/-	
7.	Mr. Kapil Kapoor S/o Late Sh. Ravinder Nath Kapoor R/o A-21, Sector-19, Noida U.P-201301 (Service) As a Nominee of HCL Infosystems Limited	Sd/-	
	TOTAL		

Dated this 24th day of September, 2012 at Noida

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of HCL Infosystems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Material Uncertainty on Going Concern

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

Our opinion is not modified in respect of this matter.

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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. 281 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 these 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 analysis 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.

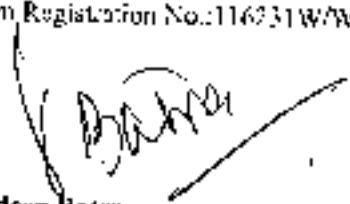
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (1) 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(1) 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 9 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.:116031W/W-100024


Sandeep Batra
Partner
Membership No : 099320
UDIN:210931204AAABG9347

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 mentioned 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 32 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	.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	0.53	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	0.41	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	1.15	1.50	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	0.31	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	1.45	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 Anykat 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, 2016-07, 2014-12 and 2017-18	Commissioner of Income Tax (Appeals)

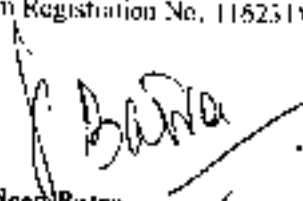
* Represents demand below Rs one lac.

- (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).

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- (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 Firm. 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. 115231W/W-100024



Sandeep Ratra
Partner
Membership No : 099320
UDIN:21093320AAA1009347

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 (b) 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. These 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.

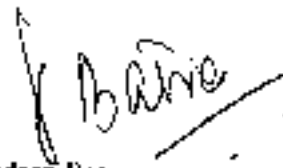
Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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 : 116291 W/VV-100024



Sandeep Batra

Partner

Membership No.: 099320

UDIN:21093320AAAABG9347

Place: New Delhi

Date: 25-June-2021

HPCL Infogystems Limited
Statement of Financial Position as at March 31, 2021

		As at 31.03.2021	As at 31.03.2020
	Notes	₹ Crores	₹ Crores
I. ASSETS			
(A) Non-current assets			
Property, plant and equipment	3 (A)	16.03	63.60
Right of use assets	3 (B)	-	0.84
Capital work-in-progress	3 (C)	0.00	-
Intangible assets	4	0.00	0.90
Financial Assets			
(i) Investments	5	0.00	7.74
(ii) Other financial assets	6	10.34	34.83
Deferred tax assets (net)	7	-	-
Advance on purchase of fixed	8	54.14	0.00
Other non-current assets	9	109.30	190.90
		179.47	297.07
(B) Current assets			
Inventory	10	0.00	74.34
Financial Assets			
(i) Trade receivables	11	14.84	15.18
(ii) Cash and cash equivalents	12	19.07	30.90
(iii) Bank balances other than filial bank	13	5.67	32.32
(iv) Loans	14	0.00	103.50
(v) Other financial assets	15	16.28	74.37
Debt financial assets	16	21.38	40.40
Assets held for sale	17	13.04	0.00
		94.86	265.93
Total Assets		274.33	563.00
II. LIABILITY AND EQUITY			
(A) Equity			
Equity share capital	18	00.00	00.00
Other equity	19	130.60	135.00
		130.60	135.00
(B) Liabilities			
Non-current Liabilities			
Financial liabilities			
(i) Borrowings	20 (i)	59.00	15.75
(ii) Lease liabilities	20 (ii)	-	0.00
(iii) Other non-current liabilities	20	0.00	0.00
		59.00	15.75
Current Liabilities			
Financial liabilities			
(i) Borrowings	21	420.00	420.00
(ii) Trade payables	22	-	-
(iii) Short-term borrowings of financial institutions and banks		0.00	0.00
(iv) Short-term borrowings of other financial institutions		0.00	0.00
(v) Other current liabilities	23	25.00	25.00
Other financial liabilities	24	10.00	10.00
Other non-current liabilities	25	11.00	0.00
		466.00	455.00
Total Equity and Liabilities		596.60	590.00
Significant Accounting Policies	26		

This statement is prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013.

For HPCL Infogystems Limited
 Chartered Accountants
 20A, Regd. Office, Sakinaka, New Delhi-110029

[Signature]
 Sandeep Bhatia
 Partner
 Membership Number - 107330

New Delhi, June 03, 2021

For and on behalf of the Board of Directors of
 HPCL Infogystems Limited

[Signature]

Pawan Kumar Sharma
 Director
 DIN - 06847500

[Signature]
 Anil Kumar
 Chief Financial Officer

New Delhi, June 03, 2021

[Signature]
 Anil Kumar
 Director

[Signature]

Kamlesh Sharma
 Director
 DIN - 03728500

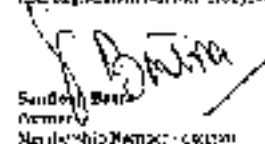
[Signature]
 Kamlesh Sharma
 Director

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

		Year ended 31.03.2021	Year ended 31.03.2020
	Notes	₹ Lakhs	₹ Lakhs
Income:			
Revenue from operations	20	227.36	1,628.12
Other income	21	43.63	24.56
Total income		270.99	1,652.68
Expenses			
Cost of materials consumed		0.00	0.00
Purchase of stock-in-trade		181.48	1,524.90
Change in amount of stock-in-trade	22	27.71	22.05
Other direct expenses	23	4.78	0.00
Expenses on assets	24	28.28	6.74
Finance cost	25	29.50	24.47
Depreciation and amortisation expense	26	4.00	7.43
Other expenses	27	66.94	28.81
Total expenses		244.91	1,582.20
Loss before exceptional items and tax		(13.88)	(52.10)
Exceptional items	28	(90.88)	(10.71)
Loss before tax		(104.76)	(62.81)
Income tax expense			
Current tax		-	-
Deferred tax	29	-	65.25
Loss for the year		(104.76)	(118.06)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Change in measurement of defined liability	30	(6.25)	(6.25)
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		(111.01)	(124.31)
Earnings per share (₹)	31		
- Basic and diluted (₹/- each)		(6.25)	(19.21)
Significant accounting policies	32		

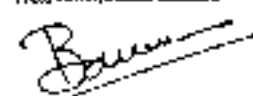
The notes referred to above form an integral part of the financial statements as per the report of the auditor attached.

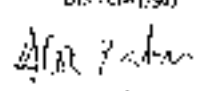
For HCL Infosystems Limited
 Chartered Accountants
 120, Bagmati, Marhath-11001, New Delhi-110002


 Sandeep Kumar
 Partner
 Membership Number: 000120


New Delhi, June 25, 2021

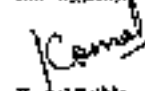
For and on behalf of the Board of Directors of
 HCL Infosystems Limited


 Pawan Kumar
 Director
 DIN: 01417501


 Anil Mahu
 Chief Financial Officer

New Delhi, June 25, 2021


 Kamal Malik
 Director
 DIN: 00000001


 Kamal Malik
 Company Secretary

		Year ended 31-03-2021 ₹ Lakhs	Year ended 31-03-2020 ₹ Lakhs
1. Cash Flow from Operating Activities:			
Cash Inflow from:		(864.70)	(924.42)
Adjustments for:			
Depreciation and amortisation expense		3.43	7.12
Finance cost		49.57	86.54
Interest income		(17.70)	(14.91)
Net profit or loss (provision)		(46.19)	(15.74)
Provision, gain and expense on investments		9.40	0.12
Provision against impairment losses given to subsidiary		84.75	(17.21)
Loss on conversion of non-current receivables into equity (Shareholder's Preference)		6.21	-
Gain on foreign exchange transactions		(1.43)	(20.92)
Provision for doubtful debts		3.98	4.92
Provision for other current assets		(7.80)	-
Provision/other non-current asset impairment		(34.88)	(1.55)
Operating (Cash) profit before working capital changes		(62.02)	(167.22)
Changes in operating assets and liabilities			
- Decrease in trade receivables		140.48	212.05
- Decrease in inventories		38.49	(15.81)
- Decrease in current assets		44.85	30.14
- Decrease in current liabilities		23.78	61.06
- Decrease in non-current liabilities		(4.43)	(1.15)
- Decrease in current liabilities		(339.10)	(181.85)
Cash generated from operations		(218.94)	10.26
Interest paid on financial assets		0.73	(1.57)
Net cash generated from operating activities	(A)	(219.67)	8.69
2. Cash Flow from Investing activities:			
Purchase of properties, plant and equipments and intangible assets		(61.37)	(61.50)
Proceeds from sale of properties		9.53	26.31
Interest received		3.29	14.94
Recovery/proceeds of doubtful debts (net)		14.38	81.37
Movement in temporary investment fund		4.36	(1.20)
Movement in investments with banks and financial institutions		-	0.12
Intercompany deposits (net)		(237.70)	(470.20)
Interest on deposits received back		370.42	645.10
Receipt of dividend income and interest income from bank		-	50.52
Net cash generated from investing activities	(B)	311.23	223.21
3. Cash Flow from Financing Activities:			
Dividend from loans and borrowings		1,07,91.77	1,075.41
Dividend from loans and borrowings		(1,07,91.77)	(1,075.41)
Interest paid		(1.63)	(1.49)
Interest paid		(49,08.86)	(20,291)
Capital paid dividend and interest on loans and borrowings		(10.12)	(0.32)
Net cash used in financing activities	(C)	1.67	(1,077.81)
Net decrease in cash and cash equivalents	(A+B+C)	(19.07)	(195.91)
Opening balance of cash and cash equivalents		37.56	28.09
Exchange differences on translation of foreign currency cash and cash equivalents		0.48	(10.30)
Change in cash and cash equivalents		18.97	7.48
Cash and cash equivalents closing balance		18.97	37.56
Cash, deposits and bills (net)		-	-
Balance with banks on current account		18.97	37.56
Total			
Signatures of authorized officers			

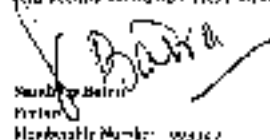
Note A: During the current and previous year, there were no net cash outflows in financial liabilities arising from financing activities. Accordingly, no cash inflows were reported under cash flow from financing activities, including both changes arising from cash flows and non-cash flow as per the format laid in paragraph 44 of IAS 1 on Statement of Cash Flows has not been given.

Note B: The Statement of Cash Flow from operating activities has been prepared under the "Indirect Method" as per the Indian Accounting Standard (Ind AS) on Statement of Cash Flow.

As per our report always submitted

For B.S.R. & Associates LLP
Chartered Accountants

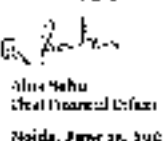
(CA) Registration Number: 10000000000



Sandeep Kumar
Partner
Membership Number: 10000000000

New Delhi, June 29, 2021

By (Signature) of the Board of Directors of
HCL Infosystems Limited.


Ravi Kumar
Director
MRN - 14847200


Anil Nehru
Chief Financial Officer
Noida, June 29, 2021


Kamaljit Chhabra
Director
MRN - 10000000000
Kamaljit Chhabra
Company Secretary

a. Equity Share Capital

	Number of Equity Shares	₹/Crores
Balance as at 01.04.2019	200,000,000	15.69
Balance as at 31.03.2020	200,000,000	15.83
Balance as at 01.04.2020	200,000,000	16.84
Balance as at 31.03.2021	200,000,000	16.84

b. Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2019	1,240.38	210.83	(1,147.32)	313.89
Transfer for the year	-	-	(318.41)	(318.41)
Other comprehensive income for the year	-	-	10.21	(0.21)
Balance as at 31.03.2020	1,240.38	210.83	(1,455.52)	(0.31)
Balance as at 01.04.2020	1,240.38	210.83	(1,505.87)	(0.55)
Loss for the year	-	-	(204.76)	(204.76)
Other comprehensive income for the year	-	-	(11.75)	(11.75)
Balance as at 31.03.2021	1,240.38	210.83	(1,722.38)	(271.17)

Securities Premium:

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

General Reserve:

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

Retained Earnings:

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

As per our report of even date attached

For BSR & Associates LLP
Chartered Accountants
UAI Registration Number-110213/W-100021

Shudhanshu Bhatia
Partner
Membership Number - 105570

For and on behalf of the Board of Directors of
BCL Infogymms Limited

Pravin Kumar Dabwani
Director
DIN - 00427502

Kaushik Dutta
Director
DIN - 00284456

Amit Sahni
Chief Financial Officer

Manoj Kumar
Manager

Rohini Kishor
Company Secretary

New Delhi, June 25, 2021

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

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

These 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 financial assets and liabilities which have been measured at fair value as explained in the accounting policies below.

2.2 Recent Indian Accounting Standards (Ind AS)

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

2.3 Use of estimates

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



2.4 Critical accounting estimates, assumptions and judgements

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

a) Property, plant and equipment

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

b) Intangibles

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

c) Income taxes

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

d) Contingencies

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

e) Allowance for uncollected trade receivable and advances

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

f) Liquidated damages

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

g) Impairment of investments

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

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



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

h) Revenue recognition

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

2.5 Current versus non-current classification

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



2.6 Property, plant and equipment

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

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

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

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

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

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

2.7 Intangible assets

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

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

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

Softwares

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

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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

5/5/24



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

Debt instrument

a. Financial assets at fair value through profit or loss

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

b. Financial assets measured at amortised cost

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

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

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

Investment in subsidiaries

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

Equity instruments

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

2. Derecognition

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

C. Financial liabilities



1. Subsequent measurement

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

Financial liabilities measured at amortised cost

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

2. Derecognition

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

D. Offsetting financial instruments

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

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

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

F. Fair value measurement

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

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

- Level 1- Quoted (Unadjusted) market 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



HCL Infosystems Limited
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-when recognised 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 on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.11 Inventories

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

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



HCL Infosystems Limited
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 recognized 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

5/12/2024



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HCI Infossystems Limited
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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

(i) 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.

(ii) Contingencies

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

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

2.19 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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



HCL Infosystems Limited
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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.



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

Interest income

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

2.21 Employee benefits

Defined benefit plans

Gratuity

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

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

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

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

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

Provident Fund

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

Defined contribution plans

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

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

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



Company has no further obligation beyond the monthly contributions.

Other benefits

Compensated absences

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

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

Long term employee benefits

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

Employee options

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

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

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

2.22 Borrowing costs

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

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

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

2.23 Earnings per share

- (i) Basic earnings per share

Basic earnings per share is calculated by dividing:



HCL Infosystems Limited
Notes to the Standalone Financial Statements

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

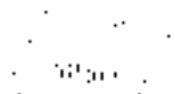
(ii) Diluted earnings per share

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

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

2.24 Exceptional items

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



HCL Infosystems Limited
Notes to the Consolidated Financial Statements

8 (a) Property, plant and equipment
The carrying amount of property, plant and equipment

Particulars	Group Carrying Amount					Accumulated Depreciation		Net Carrying Amount
	At the beginning	Additions / Adjustments	Disposals / Adjustments	At the end	At the beginning	Additions / Adjustments	Disposals / Adjustments	
Land and buildings	12,523	-	5,311	17,834	0.3%	0.1%	0.5%	17,466
Leasehold improvements	1,427	-	1,427	-	-	-	-	-
Plant and machinery	24,390	-	1,142	25,532	-	-	-	25,532
Motor vehicles	35,093	-	1,142	36,235	5,044	1,142	1,142	36,235
Plant and equipment	4,443	-	1,142	5,585	1,427	0.3%	0.3%	5,275
Furniture and fixtures	6,408	-	1,142	7,550	2,424	1,142	1,142	6,408
Other equipment	2,331	-	1,142	3,473	1,142	0.1%	-	3,359
Others	1,228	-	1,142	2,370	1,142	-	-	2,370
Computer	9,779	0.0%	0.3%	9,779	3,100	0.1%	0.1%	9,669
Total	71,853	0.0%	9,695	81,548	20,372	1,455	2,833	59,721

* Land and buildings at the carrying amount of ₹ 59,721 are held for sale.

* Other assets for the carrying amount of ₹ 21,827 are held for sale.

Particulars	Group Carrying Amount					Accumulated Depreciation		Net Carrying Amount
	At the beginning	Additions / Adjustments	Disposals / Adjustments	At the end	At the beginning	Additions / Adjustments	Disposals / Adjustments	
Land and buildings	12,523	-	5,311	17,834	0.3%	0.1%	0.5%	17,466
Leasehold improvements	1,427	-	1,427	-	-	-	-	-
Plant and machinery	24,390	-	1,142	25,532	-	-	-	25,532
Motor vehicles	35,093	-	1,142	36,235	5,044	1,142	1,142	36,235
Plant and equipment	4,443	-	1,142	5,585	1,427	0.3%	0.3%	5,275
Furniture and fixtures	6,408	-	1,142	7,550	2,424	1,142	1,142	6,408
Other equipment	2,331	-	1,142	3,473	1,142	0.1%	-	3,359
Others	1,228	-	1,142	2,370	1,142	-	-	2,370
Computer	9,779	0.0%	0.3%	9,779	3,100	0.1%	0.1%	9,669
Total	71,853	0.0%	9,695	81,548	20,372	1,455	2,833	59,721

* Land and buildings at the carrying amount of ₹ 59,721 are held for sale.



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

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	
Right of use assets	2.23	-	0.25	1.68	0.36	-	0.91
Total	2.23	-	0.25	1.68	0.36	-	0.91

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	
Right of use assets	2.23	-	0.25	1.68	0.36	-	0.91
Total	2.23	-	0.25	1.68	0.36	-	0.91

3(c) Capital work in progress

Particulars	As at 01.04.2020	Addition	Disposals / Adjustments	As at 31.03.2021
Capital work in progress	-	0.25	-	0.25

4. Intangible Assets
The company has no intangible assets.

Particulars	Gross Carrying Amount			Accumulated Amortisation			Net Carrying Amount
	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	
Software	1.10	-	-	0.14	0.04	-	0.90
Total	1.10	-	-	0.14	0.04	-	0.90

Particulars	Gross Carrying Amount			Accumulated Amortisation			Net Carrying Amount
	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	As at 01.04.2020	Additions / Adjustments	Disposals / Adjustments	
Software	1.10	-	-	0.14	0.04	-	0.90
Total	1.10	-	-	0.14	0.04	-	0.90



5/15

5. Non-current Investments

Unquoted

Investments in equity investments of subsidiaries (A1502)

Digital Distribution and Marketing Services Limited
Nayon Chemicals Services Limited
HCL Infosoft Limited
HCL Learning Limited

As at 31.03.2022		As at 31.03.2020	
Units	Amount ₹ Crores	Units	Amount ₹ Crores
66,050,000	56.05	57,000,000	50.75
42,500	0.04	42,500	0.04
124,390	668.46	520,320	144.28
75,274	166.36	75,274	156.16
	890.97		851.29
	0.04		0.04

Less: Impairment in the value of investment *

Total Investments in equity investments of subsidiaries

* Impairment of goodwill for investment in subsidiaries

- Digital Distribution and Marketing Services Limited
HCL Infosoft Limited
HCL Learning Limited

Amount ₹ Crores	Amount ₹ Crores
56.05	50.75
668.46	668.46
166.36	166.36
890.97	851.29

Aggregate book value of unquoted investments (net of impairment)

Aggregate amount of impairment on the value of investments

0.04	0.04
890.97	851.29



	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
6 Other non-current financial assets		
Term deposits	0.07	0.66
Balance with bank - margin money	18.47	11.96
Balance consideration receivable	26.28	22.25
*Balance held as margin money towards obtaining bank guarantees		
	<u>44.82</u>	<u>34.87</u>
7 Deferred tax assets (net)		
Deferred tax assets (net) (refer note 12)	-	-
	<u>-</u>	<u>-</u>
8 Advance income tax (net of payable)		
Advance income tax	26.14	41.46
Provision for income tax of ₹ 48,06,000 (gross - ₹ 21,95,000)		
	<u>26.14</u>	<u>41.46</u>
9 Other non-current assets		
Unsecured		
Capital advances	0.01	0.01
Payables with no settlement	105.44	146.54
Prepaid expenses	0.05	0.01
	<u>105.50</u>	<u>146.56</u>
10 Inventories		
Stock in trade		
(including net trade ₹ 0.04 lakhs (2021 - ₹ 0.04 lakhs))	0.50	26.54
	<u>0.50</u>	<u>26.54</u>
Write-down of inventory to net realisable value recognised as an expense during the year amounting to ₹ 1,00,00,000 (2021 - ₹ 1,05,00,000). These were included in change in value of replacement of stock-in-trade and finished goods in statement of profit and loss.		
11 Trade receivables		
Unsecured:		
Confirmed good	24.04	156.18
Credit impaired	21.20	17.58
	<u>45.24</u>	<u>173.76</u>
Less: Allowance for doubtful debts	30.30	35.98
	<u>14.94</u>	<u>137.78</u>

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	As at 31.03.2021 ₹ Crores	As at 31.03.2020 ₹ Crores
12. Cash and cash equivalents		
Balances with banks:-		
- Current account*	18.58	27.36
Cheques on hand	-	-
Bank deposits with original maturity of three months or less	11.31	0.93
Less: Money held in trust	0.37	0.93
	<u>18.92</u>	<u>27.36</u>
13. Other bank balances		
Deposits with remaining maturity up to 12 months*	1.97	17.10
Bills payable with banks		
- (Gir margin account)	4.80	3.12
	<u>5.97</u>	<u>20.22</u>
* Includes ₹ 1.07 crores (2020-4.42 crores) held in bank with Banks.		
* Includes ₹ 1.27 crores (2020- ₹ 1.38 crores) which is held in the name of Kony Instruments Limited for and on behalf of the Company.		
14. Loans		
Unsecured		
Considered good		
Loans and advances to subsidiaries (refer note 19)	2.83	205.50
Considered doubtful		
Loans and advances to subsidiaries (refer note 19)	70.05	365.04
Less: Allowance for doubtful loans and advances to subsidiaries	<u>70.05</u>	<u>365.04</u>
	<u>2.83</u>	<u>205.50</u>
Note: Unsecured loans given to subsidiaries is repayable on demand and carry interest rate 5.00%-6.00% p.a.		
15. Other current financial assets		
Considered good		
Security deposits	0.15	0.12
Others recoverable from vendor	2.30	29.02
Others* (refer note 16)	0.55	4.95
Considered doubtful		
Others* (net of debtors, payables and other financial assets recoverable)	3.06	1.06
Less: Allowance for doubtful financial assets	<u>3.06</u>	<u>1.06</u>
Other Financial Assets (refer note 17)	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>
* Includes ₹ 2.52 crores (2020- ₹ 2.40 crores) insurance claim related parties and ₹ 11 crores (2020- ₹ 1.47 crores) of business credit default recoverable 2.00 Q 2020.		
Crop Limited		
16. Other current assets		
Unsecured		
Considered good		
Balances with vendors (for trust, excess, order mg and goods and services tax)	4.50	38.04
Advances	10.00	1.52
Advances to creditors	2.34	3.08
Prepaid expenses	2.34	2.60
Others recoverable	2.34	2.60
Considered Doubtful		
Deposits and other advances	2.12	5.74
Less: Allowance for doubtful advances	<u>2.12</u>	<u>5.74</u>
Other current assets (refer note 17)	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>

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13/4/21

	As at 31.03.2021 ₹/Lacs	As at 31.03.2020 ₹/Lacs
17 Share Capital		
Equity Share Capital		
35,00,000 Equity Shares (Face + 55,00,00,000 of ₹ 2/- each)	110.00	110.00
3,00,000 Preference Shares (Face + 3,00,00,000 of ₹ 100/- each)	6.00	1.00
	<u>116.00</u>	<u>111.00</u>
Reserve, Surplus and Fully Paid up		
35,00,000 Equity Shares (Face + 55,00,00,000 of ₹ 2/- each)	65.84	66.84
	<u>65.84</u>	<u>66.84</u>
Notes:		
(a) 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 share is entitled to one vote per share held. The Company does not have any right to call for unpaid shares. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in their AGM (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 preferred claims. The distribution will be in proportion to the number of equity shares held by Shareholders.		
(a) 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	24,421,399	49.44
(b) V.K.M. Surdas Investments (India) Private Limited	48,603,194	12.44
	48,603,194	12.44
(b) Shares reserved for employee options:		
Options granted to the 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, to be set in note 18)		
18 Other Equity		
A. Reserve and surplus		
(a) Securities premium reserve		
Opening balance:	1,194.38	1,194.38
Closing balance:	<u>1,194.38</u>	<u>1,194.38</u>
(b) General Reserve		
Opening balance:	215.83	215.83
Closing balance:	<u>215.83</u>	<u>215.83</u>
(c) Retained earnings		
Opening balance:	(1,205.87)	(1,197.84)
Net Loss for the year:	(804.75)	(214.41)
Provision created of provisions (net of tax)	(6.25)	(5.31)
Closing balance:	<u>(2,016.87)</u>	<u>(1,427.56)</u>
	<u>(2,016.87)</u>	<u>(1,427.56)</u>

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	As at 31-03-2022 ₹ Crores	As at 31-03-2021 ₹ Crores
19(a) Non-current borrowings		
Unsecured:		
Term Loans		
- Floating	59.03	24.24
	59.03	24.24
19(b) Lease obligation (refer note 4a)	-	1.01
	-	1.01

Notes:

a. Secured Term Loans from Others amounting to ₹ 127.35 Crores (2021 - ₹ 69.35 Crores), out of which ₹ 89.32 Crores (2021 - ₹ 41.00 Crores) is given under current liability of long term debt, is repayable in 12 equal quarterly installments from the date of the disbursement which carries interest @ 12.75% to 14.25% p.a.

20. Non-current provisions

Provision for gratuity and other employee benefits (refer note 4a).
Excludes ₹ 10.15 crores (2021 - 11.13) for leave encashment and ₹ 10.15 crores (2021 - ₹ 10.15) for other employee benefits.

0.84	0.07
0.84	0.07

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	Actual 2019-2020 ₹ Crores	Actual 2018-2019 ₹ Crores
21 Current borrowings		
Secured:		
Loans from banks:		
- Term loans	-	392.50
- Cash credit	-	11.29
		<u>403.79</u>
Unsecured:		
Loans		
- from others*	99.89	40.69
- from related parties (refer note 46)	319.04	28.05
	<u>418.93</u>	<u>69.74</u>
	<u>822.72</u>	<u>473.53</u>

Notes:

a. Secured Term Loans from Banks amounting to ₹ 403 Crores (2019 - ₹ 404 Crores) is secured by way of (i) First post-poned charge on all immovable, movable and tangible assets of the HCL Infosystems Limited and its subsidiaries (ii) First post-poned charge on all current assets of the HCL Infosystems Limited and its subsidiaries (except large retail receivables), (iii) Liquidation as considered proper, or, (iv) Carries interest @ 8.25% p.a.

b. Short Term loan of ₹ 99.89 Crores (2019 - ₹ 40 Crores) is secured by way of subordinated charge on stock and receivables of the Company and against Support from HCL Corporation Private Limited and carries interest @ 9.25% p.a.

c. Secured Loan (Cash Credit and Working Capital) from Banks amounting to ₹ 11.29 Crores (2019 - ₹ 11.29 Crores) are secured by way of (i) First post-poned charge on identified immovable, tangible and intangible assets of the HCL Infosystems Limited and its subsidiaries, (ii) First post-poned charge on all current assets of the HCL Infosystems Limited and its subsidiaries (except large retail receivables), (iii) Subordination on available fixed property, or, (iv) Given as Fixed Deposit of 6.00 Cro.

4. Unsecured short-term loan from HCL Corporation Private Limited amounting to ₹ 319 Crores (2019 - ₹ 278 Crores) is repayable in 12 months from the date of maturity of such facilities, which is interest free.

5. Secured Term loans from Banks amounting to ₹ 403 Crores (2019 - ₹ 404 Crores) is secured by way of subordinated charge on current assets of the Company and against Support from HCL Corporation Private Limited and loan is free against for ₹ 100 Crores & repayable in 12 months from the date of the disbursement which carries interest @ 8.25% p.a.

6. Short Term loan of ₹ 99.89 Crores (2019 - ₹ 40 Crores) is supported by Corporate Guarantee of ₹ 100 Crores from HCL Corporation Private Limited and is repayable in 12 months from the date of disbursement and carries interest @ 9.25% p.a.

* Includes ₹ 99.89 Crores (2019 - ₹ 40 Crores) from extended supplier credit.

Note: As per contract, liabilities include HCL Infosystems Limited, HCL Infosystems and HCL Infosystems Private Limited and HCL Learning Limited.

22 Trade payables (refer note 46)

Trade payables		
(a) Total outstanding dues of vendors, material and subcontractors (refer note 46)	6.89	6.71
(b) Total outstanding dues of creditors other than vendors, material and subcontractors	248.30	341.69
(Includes advance ₹ 31 Crores (2019 - ₹ 25.05 Crores))		
	<u>255.19</u>	<u>348.40</u>

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	Year 2020-2021 ₹ Crores	Year 2019-2020 ₹ Crores
23 Other current financial liabilities		
Current maturities of long-term debt (note note 9)(i)	64.32	41.79
Interest accrued but not due on borrowings	2.35	0.67
Other payable and accrued liabilities (note note 40)	-	14.11
Deposits	1.34	2.11
Long-term deposits*	-	0.47
Employee benefits payable	6.37	11.84
Capital advances	0.20	0.20
Advances received against HCL Infosys Limited (note note 49)	1.00	-
	<u>75.58</u>	<u>70.19</u>
* Includes outstanding interest deposits of ₹ 14.10 crores (2020 - ₹ 14.10 crores) transferred to Income, Education and Provident Fund under Section 15 of the Companies Act, 2013, during the current year.		
24 Other current liabilities		
Deferred revenue	2.63	1.98
Advances received from customers	3.61	6.01
Cash	0.86	1.03
Short-term deposits	1.14	3.74
Advances received against short-term assets held for sale	4.30	-
	<u>12.54</u>	<u>12.76</u>
25 Current provisions		
Provision for gratuity and other employee benefits (note note 45)(i)	5.40	7.10
Provision for litigation (note note 12)(ii)	8.08	0.50
	<u>13.48</u>	<u>7.60</u>

(i) includes ₹ 0.24 Crores (2020 - ₹ 0.50 Crores) and the provision for leave encashment and ₹ 1.07 Crores (2020 - ₹ 1.10 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	1,620.07
Sale of services	0.28	5.16
	<u>217.36</u>	<u>1,625.23</u>
27 Other Income		
Interest income from Government deposit at uncommitted cost		
- On fixed deposits (gross)	2.25	4.87
- On intercompany deposits	41.44	111.17
Net profit on sale of property, plant and equipment	0.19	0.09
Gain on foreign exchange fluctuation	4.24	1.14
Provisions/HCL Infra no longer required written back	12.88	1.95
Share sale	0.14	0.45
Miscellaneous income	5.91	11.20
	<u>66.95</u>	<u>129.52</u>
28 Changes in inventories of stock-in-trade		
Closing balance		
- Stock-in-trade	0.55	24.25
	<u>0.55</u>	<u>24.25</u>
Opening balance		
- Stock-in-trade	24.44	85.60
	<u>24.44</u>	<u>85.60</u>
Changes in inventories of stock-in-trade	<u>23.89</u>	<u>61.35</u>
29 Other direct expenses		
Purchase of services	0.11	0.33
Spares and stores consumed	0.37	0.56
	<u>0.48</u>	<u>0.89</u>
30 Employee benefits expense		
Salaries, wages, bonus and gratuity (refer note 9b)	47.32	64.42
Contribution to provident and other funds (refer note 25)	0.86	1.05
Staff welfare expenses	16.20	0.47
	<u>64.38</u>	<u>65.94</u>
31 Finance costs		
Interest*	40.88	70.41
Other borrowing costs	2.62	13.36
	<u>43.50</u>	<u>83.77</u>

*includes ₹ 0.04 crores (2020 - ₹ 0.19) interest on lease obligations (refer note 22)

5/3/21



Financial Instruments and Risk Management
33. Fair Value Measurements

The carrying value of financial instruments by category and as at:

		Z/Creon				
Particulars	Notes	At cost	Fair value through Profit or Loss	Amortised Cost	Total (Carrying Value)	Total Fair Value
Financial assets						
Non-current assets						
(i) Investment in subsidiaries	3	0.04	-	-	0.04	0.04
		(0.04)	-	-	(0.04)	(0.04)
(ii) Others	4	-	-	36.36	36.36	36.36
		-	-	(34.85)	(34.85)	(34.85)
		0.04	-	36.36	36.40	36.40
		(0.04)	-	(34.85)	(34.89)	(34.89)
Current assets						
(i) Trade receivables	11	-	-	14.64	14.64	14.64
		-	-	(158.38)	(158.38)	(158.48)
(ii) Cash and cash equivalents	12	-	-	18.52	18.52	18.52
		-	-	(33.56)	(33.56)	(33.56)
(iii) Bank balances other than (i) above	13	-	-	5.67	5.67	5.67
		-	-	(22.22)	(22.22)	(22.22)
(iv) Loans	14	-	-	2.81	2.81	2.81
		-	-	(202.58)	(202.58)	(202.58)
(v) Others	15	-	-	16.28	16.28	16.28
		-	-	(14.33)	(14.33)	(14.33)
		-	-	57.91	57.91	57.91
		(-)	(-)	(485.05)	(485.05)	(485.05)
Financial liabilities						
Non-current liabilities						
(i) Retentions	19(i)	-	-	39.03	39.03	39.03
		-	-	(22.75)	(22.75)	(22.75)
(ii) Lease obligation	19(ii)	-	-	-	-	-
		-	-	(1.03)	(1.03)	(1.03)
		-	-	59.03	59.03	59.03
		(-)	(-)	(23.78)	(23.78)	(23.78)
Current liabilities						
(i) Borrowings	21	-	-	414.89	414.89	414.89
		-	-	(420.30)	(420.30)	(420.30)
(ii) Trade payables	22	-	-	40.30	40.30	40.30
		-	-	(348.40)	(348.40)	(348.40)
(iii) Other financial liabilities	23	-	-	24.88	25.58	25.58
		-	-	(26.38)	(26.38)	(26.38)
		-	-	670.86	530.80	530.80
		(-)	(-)	(845.10)	(845.18)	(845.18)

Note: Previous fair figures are given in brackets

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16/01/2021



34 Financial Risk Management

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

In order to minimise any adverse effect on the financial performance of the Company, derivatives 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.

The table explains the sources of risk, credit 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, bank and cash equivalents, bank balances, loans and other external 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	Ageing, cash flow forecasts	Availability of committed credit lines, borrowing facilities and liquid investments
Market risk - foreign exchange	Future commercial transactions, foreign and financial assets not denominated in Indian Rupee (INR)	Hedging percentage sensitivity analysis	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowing at variable rates	Sensitivity analysis	Replacement of high cost debt with lower 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 risk committee.

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Financial Risk Management**Credit Risk**

Credit risk arises 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 is majorly included 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 ageing breakup of receivables:

	As at 31.03.2021	₹/Crores As at 31.03.2020
Not Due	7.44	47.66
0-90 days past due	3.37	12.52
91-180 days past due	0.22	14.72
181-365 days past due	3.12	22.37
1-2 years past due	0.71	12.09
More than 2 years past due	26.34	27.00
	<u>38.84</u>	<u>126.36</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 in 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	(20.06)	(3.04)
Balance at the end	<u>21.20</u>	<u>36.98</u>
Weighted average loss rate (in percentage)	39.15%	19.34%

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16/1



Financial Risk Management**Liquidity risks**

Liquidity risk is the risk that the Company will not be able to settle 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	Carrying Value	On demand	₹/Crores			
			Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
Non-derivative						
Borrowings						
-From Banks	-	-	-	-	-	-
	(173.01)	(11.20)	(362.61)	(0.00)	-	-
-From Others	637.85	-	478.21	59.03	-	-
	(310.44)	-	(87.59)	(22.95)	-	-
Lease obligation	-	-	-	-	-	-
	(1.03)	-	-	(1.03)	-	-
Trade payables	40.39	-	40.39	-	-	-
	(348.08)	-	(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 Credits	0.20	-	0.20	-	-	-
	(0.20)	-	(0.20)	-	-	-
-Unpaid dividends/ deposits	-	-	-	-	-	-
	(0.47)	-	(0.47)	-	-	-
-Employer Benefits Payable	6.37	-	6.37	-	-	-
	(14.92)	-	(14.92)	-	-	-
-Others	2.00	-	2.00	-	-	-
	(5.00)	-	(5.00)	-	-	-
Total non-derivative liabilities	580.91	-	530.85	50.03	-	-
	(858.08)	(11.20)	(833.59)	(23.79)	(0.00)	(0.00)

Note: Previous year figures are given in brackets

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16/11/2023



Financial Risk Management
Market Risk

(a) Interest rate risk

The Company's main interest rate risk arises 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 exposure 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	472.05
Total borrowings	537.25	483.34

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	-	-	-	10.83%	11.29	2.33%
Net exposure to cash flow interest rate risk	-	-	-	-	11.29	-

(b) Sensitivity

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

	₹/Crores			
	Impact on loss after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Interest rates - increase by 10 basis points	-	(0.00)	-	(0.01)
Interest rates - decrease by 10 basis points	-	0.01	-	0.01

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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 monitors 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:

T/ Crores

	INR	EUR	GBP	SGD
Financial Assets				
Trade receivables	8.60	-	-	-
	(7.25)	-	-	(4.80)
Cash and cash equivalents	-	-	-	0.02
	(0.00)	-	-	(0.00)
Net exposure to foreign currency risk (assets)	8.60	-	-	0.02
	(7.25)	-	-	(0.00)
Financial Liabilities				
Trade Payable	2.92	-	-	-
	(1.68)	(0.00)	(0.00)	-
Derivative Liabilities				
Foreign exchange forward contracts	-	-	-	-
	(0.00)	-	-	-
Net exposure to foreign currency risk (liabilities)	2.92	-	-	-
	(1.68)	(0.00)	(0.00)	-

Note: Previous year figures are given in brackets

(a) Sensitivity

The following table demonstrates the sensitivity of net unrealized 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%	0.23	0.01	(0.25)	(0.24)
EUR sensitivity	5%	-	(0.00)	-	0.00
GBP sensitivity	5%	-	(0.00)	-	0.00
SGD sensitivity	5%	0.00	0.01	(0.00)	(0.01)

32 Capital Management

Risk Management

The Company's objective when managing capital are to safeguard their ability to meet long term obligations 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:

T/ Crores

	As at 31.03.2021	As at 31.03.2020
Total Debt	307.25	48.05
Equity	(211.83)	(92.82)
Capital and net debt	85.42	45.23
Gearing ratio	183.38%	100.96%

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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 Infosystems Limited into Optionally Convertible Debentures (OCD)	(6.31)	-
b. Provision against loan given to HCL Infosystems Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited	(83.78)	617.36
c. Provision for loss in subsidiary	(2.09)	-
d. Profit on sale of subsidiaries	-	15.65
Total	(90.18)	602.91

a) The company has recognised a loss on of ₹ 6.31 crores upon conversion of convertible of unsecured loan into Optionally Convertible Debentures. (refer note 35)

b) The Company has made provision of ₹ 84.57 crores (FY 2020 - ₹ 617.36 crores) against loan given to HCL Infosystems Limited, HCL Learning Limited and Digilife Distribution and Marketing Services Limited. The company, considering that HCL Infosystems Limited has negative net worth as on 31.03.2020, due to continuous loss incurred by the entity and based on the plan of this entity, may not be able to recover the loan given to HCL Infosystems 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 loans as doubtful and needed a provision to the extent it is not recoverable.

c) The Company has made provision of ₹ 2.09 Crores, on account of accumulated losses and measure of net worth of HCL Infosystems Limited, as at the balance sheet date.

d) The company has recognised a profit on the sale of properties of ₹ 15.65 crores at 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*	120.61	288.80
Excise*	869.78	154.71
Income tax	30.69	30.70
Indemnity disputes, civil suits and consumer disputes	9.36	1.49

* Includes sum of ₹ 17.58 crores (FY 20 - ₹ 17.58 crores) deposited by the Company against the above.

The amounts shown as debt (a) represents the best possible estimate arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been initiated by the Company or the creditors 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 ₹ 28.85 crores (FY 2020 - ₹ 157.41 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 ₹ 6.56 crores (FY 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 ₹ 2.04 crore (FY 2020 - ₹ 2.04 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. Civil service court has framed charges against the company and its employees. 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 ₹ 6.36 crores (FY 2020 - ₹ 5.50 crores) is outstanding. Provision amounting to ₹ 5.70 crores (FY 2020 - ₹ 5.57 crores) was created and ₹ 2.84 crores (FY 2020 - ₹ 1.90 crores) was utilized during the year.

(This statement has been individually signed by me)

13/1



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

	As at 31.03.2021	₹/Crores As at 31.03.2020
a (i) Principal amount remaining unpaid to any supplier as at the end of the year	1.89	6.51
(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	23.91
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 due or interest is 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/allocate to CSR activity during the year 20 as per Section 135 of the Companies Act, 2013 as average net profit for the last three financial years is negative.

40 Remuneration to Auditors*

	Year ended 31.03.2021	₹/Crores Year ended 31.03.2020
a Statutory audit	0.30	0.23
b Tax audit Review	0.24	0.23
c Tax audit fees for erstwhiles	0.08	0.12
d Out of pocket expenses	0.02	0.12
Total	0.84	1.40

* excluding GST as applicable.

41 Employee Stock Option Plan (ESOP)

The Company has previously granted options to eligible employees under the Employee Stock Option Scheme 2006 and Employee Stock Based Compensation Plan 2005, which were to be vested in a graded manner over a period of 48 months respectively from the date of grant and were to be exercised within a maximum period of 3 years from the date of vesting.

The shareholders of the Company in the last Extraordinary General Meeting held on 30th September 2020, had approved the amendment of Employee Stock Option Scheme 2006 (Scheme 2006) 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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Signature



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Ab Canceled Operating Losses

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The growth rates, normalized by the growth rate of the price level, are shown in Figure 1. The growth rates of the price level are shown in Figure 2. The growth rates of the price level are shown in Figure 3.

2023 (continued) and 2022 (audited) (in \$ millions)					2021 (audited) (in \$ millions)	
Particulars	Asset	Gross Book	Accumulated Depreciation	Net Book	Depreciation Expense	
Property, Plant and Equipment						
Land	\$1,000,000	\$0	-	\$1,000	-	
Buildings	\$1,000,000	\$0	-	\$1,000	-	
Leasehold Improvements	\$1,000,000	\$0	-	\$1,000	-	
Equipment	\$1,000,000	\$0	-	\$1,000	-	
Intangible Assets						
Goodwill	\$1,000,000	\$0	-	\$1,000	-	
Patents and Trademarks	\$1,000,000	\$0	-	\$1,000	-	
Software	\$1,000,000	\$0	-	\$1,000	-	
Other Intangible Assets	\$1,000,000	\$0	-	\$1,000	-	
Other Assets						
Prepaid Expenses	\$1,000,000	\$0	-	\$1,000	-	
Other Assets	\$1,000,000	\$0	-	\$1,000	-	
TOTAL	\$1,000,000	\$0	-	\$1,000	-	

Note: 2000 survey figures are given in linear scale.

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And for other leaved yearlings, the posture is less defined. Their straight line backs are lower than 25 mm from the ground, and they

Payment recognized in expense

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Depreciation expense - right-of-use assets (note 12)	4,500	1,000
Interest on lease liability (note 14)	4,000	1,000
Rent expense - short-term leases (note 12)	2,500	5,000

*Triple peak collection for leaves during the first round of bioassay (see Fig. 1 for sample number and collection details).

49 Employee use of force (4.2%)

Weighted average 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 represents loss for the period. As diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year and preferred stock would be anti-dilutive.

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Transfer to tax (Rs. in crores)	(204.76)	(141.41)
Weighted average number of shares outstanding in computation of Basic EPS	339,809,938	339,809,938
Weighted average number of shares outstanding in computation of Diluted EPS	339,809,938	339,809,938
Basic and Diluted EPS (Rs. per share)	(60.25)	(41.61)

44 Segment Reporting

The Company publishes consolidated financial statements, along with the consolidated financial statements of the annual report, in accordance with Polish Accounting Standards. Operating Segments: the Company has disclosed the segment information and 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) Employees Contributions to Superannuation Fund*	0.24	0.20
(ii) Employer Contribution to National Pension Scheme*	0.06	0.10
(iii) Employer contribution to Employees State Insurance*	0.00	0.01
(iv) Employer contribution to Employees Pension Scheme 1995*	0.03	0.02

* Included in contribution to provident fund or gratuity under Employee benefits expense (under note 34).

(b) Defined Benefit

- (i) Gratuity
- (ii) Provident Fund

The Company contributes to the employee profit fund (name "Hindustan Garments Hindustan 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 exemption stipulate that the employer shall make good deficiency, if any, in the investment declared by the trust under a security not acceptable as per Act 1952. Employee benefit, provided in pursuance of employees' which remains unfunded shall fall to be met by the employer, as and so be treated as defined benefit plan.

The Trust is controlled by members of the Company as well as its independent stakeholders. In case of the trust, it is a multi-employer defined benefit plan.

The Trust has been increasing the amounts fund contributions of the employees of its business units as well as liabilities of a company in manner and the same cannot be separately identified liability is as

In case of the trust, an amount valuation, in accordance with the Act 1952, was carried out at company level. As per actuarial certificate there was shortfall in the funding of fund against liability by amount, inferred as greater than was actually, the liability on account of unfunded guaranteed fund.

In accordance with Act 1952, an actuarial valuation was carried out in the respect of the amounts 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)	4.50%	5.16%	-	-
Rate of interest in investment levels	8.00%	5.00%	-	-
Rate of return on plan assets	-	-	-	-
Expected salary / interest rate	-	-	8.50%	8.50%
Expected salary / interest rate	-	-	0.03%	0.03%
Expected average remaining working life of employees (years)	20.23	22.00	20.23	22.00

As of 31.03.2021, every 0.1 percentage point increase / decrease in discount rate will affect gratuity liability paid by approximately ₹ 8 crores.

As of 31.03.2021, every 0.1 percentage point increase / decrease in expected average rate of return on investment funds will affect gratuity benefit obligation by approximately ₹ 8 crores.

The estimates of future salary increases involves such as inflation, seniority, promotion and other relevant factors which may or may not actually be obtained in the employment market.

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and may over time, as such bringing it exposed to various risks as follows:

A. Salary Increases - Actual salary increases will increase the Plan's liability. Decrease in salary increases are assumption of future conditions will also increase the liability.

B. Investment Risk - If Plan is funded then assets liabilities mismatch & stock investment return will be lower than the discount rate used at the last valuation date, this impact the liability.

C. Discount Rate - Reduction in discount rate in a frequent valuations can increase the plan's liability.

D. Mortality & disability - Actual deaths & disability rates proving lower or higher than assumed at the valuation date can impact the liability.

E. Withdrawals - Actual withdrawals proving higher or lower than assumed with withdrawal rate of age of withdrawal period or subsequent conditions can impact Plan's liability.

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11/11/21

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
Gain/(Loss) on act
Interest cost
Actuarial gain/loss
Total amount recognized in profit or loss
Actuarial gain/(loss) from change in demographic assumptions
Actuarial gain/(loss) from change in financial assumptions
Total amount recognized in other comprehensive income
Benefit paid
Settlement transfer in
Contribution to plan participants
Present value of obligation at the end of the year

Rupees			
As at 31.03.2021		As at 31.03.2020	
Gratuity	Provident Fund	Gratuity	Provident Fund
2.28*	110.23	3.45	148.80
0.00	1.46	0.27	1.85
0.19	10.95	1.10	10.56
-	-	-	-
0.08	12.91	0.58	24.21
0.03	-	(0.15)	-
0.08	0.00	0.22	0.00
(0.28)	0.00	0.03	0.22
(0.24)	0.00	0.21	2.22
11.97	(10.84)	(1.18)	(50.03)
-	2.30	-	1.31
-	2.30	-	4.91
3.44	130.66	2.37	137.22

Reconciliation of fair value of plan assets
Fair value of plan assets at the beginning of the year
Deposited value of plan assets
Contribution by employees
Settlement transfer in
Contribution by employees
Benefit paid
Amount paid/(received) on plan assets
Difference in opening
Fair value of plan assets at the end of the year

As at 31.03.2021		As at 31.03.2020	
Provident Fund		Provident Fund	
154.56		189.71	
12.24		12.37	
2.00		1.48	
1.00		1.93	
1.80		4.41	
(19.84)		(30.03)	
-		-	
-		1.30	
157.75		194.78	

Cost recognized for the year:
Current service cost
Company contribution to provident fund of
Past service cost
Interest cost
Actuarial gain/loss
Interest guarantee liability
Shortfall in fund
Net cost recognized for the year*

As at 31.03.2021		As at 31.03.2020	
Gratuity	Provident Fund	Gratuity	Provident Fund
0.00	-	0.27	-
-	0.05	-	1.55
-	-	-	-
0.19	-	0.29	-
(0.28)	-	0.22	-
-	-	-	-
-	-	-	-
0.00	0.05	0.27	1.55

* Included in salaries, wages, bonus and gratuity and benefits payable to provide a better understanding of the present value of the defined benefit obligation and other comprehensive income.

§ The Company's contribution to provident fund for the year is 8% of salaries (basic + DA + bonus) and 1% gratuity, which is shared among employees in proportion to their age.

The major component of plan assets are as follows:

Central government securities
State government securities
Public sector bonds
Special deposit scheme
Equity
Bank deposits

As at 31.03.2021	As at 31.03.2020
Unquoted in %	Unquoted in %
42.40	42.73
18.90	19.12
25.31	27.26
10.88	10.57
0.81	0.21
1.97	0.21
100.00	100.00

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

Present value of the obligation at the end of the year
Fair value of plan assets at the end of the year
Amount/(Underpayment) recognized in the Income Statement
Expense/(income) adjustment in other comprehensive income
Expense/(income) adjustment in plan assets

Gratuity		Provident Fund	
Rs/Crores		Rs/Crores	
As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
3.44	3.37	-	-
-	-	(14.41)	(3.33)
(4.08)	(0.02)	-	-
Provident Fund		Provident Fund	
Rs/Crores		Rs/Crores	
As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
(230.44)	(122.21)	-	-
157.75	174.50	-	-

Short payment expense to pay full the cost of contribution to the plan for the year

** As the gratuity, the same has not been recognized in Income Statement.

Signature



Signature

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 Infosys Limited

HCL Learning Limited

Digilife Distribution and Marketing Services Limited

Pimpri Chinchwad Software Limited (holding 85% of shareholding)

HCL Insys Pte. Limited, Singapore (100% shareholding)

HCL Investments Pte. Limited, Singapore

Nature Technologies PVT, (Formerly known as HCL Infosystems M&A PTE), Delhi

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 Connect Limited

HCL Talent Care Private Limited

Kumar & Co.

VAMA Securities Investments (India) Private Limited

Star Media Foundation

Naksha Enterprises Private Limited

d) Key Management Personnel:

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

Mr. Sudhir Jain - Company Secretary (Mr. Sudhir Jain was superseded w.e.f. closing hours of 31st March, 2021 and Mr. Ramesh Babla was appointed as Company Secretary w.e.f. 1st April, 2021)

Mr. Raj Sarthadeva 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 Polys, 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. Ranganjan Kishore (Managing Director, till 31.03.2020)

(This space has been intentionally left blank)

Signature



(*continued*)



	IN Lakhs	
	Year ended 31.03.2024	Year ended 31.03.2023
Compensation of Key Management personnel of the Company*		
Short-term employee benefits	3.119	3.42
Total compensation paid to key management personnel	3.119	3.42

* The amounts disclosed in the table above are amounts recognised as an expense during the reporting period and related to key management personnel.
* The compensation is based on employment contracts and remuneration policies approved by the Board of Directors of the Company.

For the purpose of the above information, the Board of Directors

28/5/24



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

A. Loans and advances in the nature of loans to subsidiaries and associates	As at 31.03.2021					Rs. Crores	
	Plasma Chemicals Services Limited	Digital Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Plasma Chemicals Services Limited	HCL Infotech Limited	HCL Learning Limited
a. Name							
b. Balance outstanding at the year end	0.00	4.26	21.83	48.83	0.00	22.37	47.70
c. Maximum amount outstanding	0.00	4.26	740.86	48.83	0.00	22.37	47.70

B. Loans and advances in the nature of loans where no interest or interest below Section 196 of Companies Act, 2013 is charged	As at 31.03.2021					Rs. Crores	
	Digital Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	Digital 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	Nil
c. Maximum amount outstanding during the year ended	Nil	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 its scheme agreement

C. Loans and advances in the nature of loans to firms/companies in which directors are interested	As at 31.03.2021		As at 31.03.2020	
	Rs.	Crores	Rs.	Crores
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				
e. Maximum amount of investments during the year ended	Nil	Nil	Nil	Nil



(This state has been internally audited by KPMV)

q8. Taxation:

(a) Provision for current tax is computed by applying the Income Tax Act, 1961 and other relevant provisions in the period when the Company conducts the valuation of its profits for the year. Deferred tax assets and deferred tax liabilities are either, not applicable, not recoverable, not realizable or not certain to be realized and deferred tax assets and deferred tax liabilities are not recognized in the balance sheet. Accordingly, the current tax expense is zero.

(b) Deferred Tax:

Major non-current deferred tax assets and liabilities are recognized in the balance sheet, along with their movement during the period.

	As at 31-03-2022	Movement during the year	At Comm ence 31-03-2021
Assets			
Goodwill on acquisition of land	-	-	-
Provision for liability on shares in stock market	-	-	-
Tax losses	-	-	-
Impact of expenditure related to statement of profit and loss on available for sale purpose - future years	-	-	-
MAIT credit	-	-	-
Total (A)	-	-	-
Liabilities			
Difference between WDV of these assets or liabilities and book value (Income tax, Depreciation, etc.)	-	-	-
Provision for liability on shares in stock market	-	-	-
Total (B)	-	-	-
Net deferred tax assets (A) - (B)	-	-	-

The Company has recognized deferred tax asset for the current deferred tax liability on available for sale purpose - future years. The deferred tax asset is not recognized for the current year as it is not recoverable. The deferred tax liability is not recognized for the current year as it is not realizable.

(c) Income tax expense

This section provides an analysis of the company's income tax expense, and how income expense is affected by non-current assets and liabilities (if any).

	Year ended 31-03-2022	Year ended 31-03-2021
Income tax expense - current tax		
Current tax on profits for the year	-	-
Deferred tax on current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease in MAIT credit	-	11.20
Decrease in Current tax on available for sale assets	-	31.45
Total deferred tax expense (benefit)	-	42.65
Income tax expense	-	42.65

	Year ended 31-03-2022	Year ended 31-03-2021
Reconciliation of tax expense and the accounting profit as adjusted by India's tax laws:		
Less: Income tax expense	(10.45)	(35.45)
Tax on the Indian tax rate of 30% (Income - 30.45)	(30.45)	(10.45)
Deferred tax on which deferred tax is created		
Equipment of Investment (and other corporate deposits)	26.30	26.30
Other items	-	-
Deferred tax (Income) - MAIT credit	-	11.20
Provision for liability on shares in stock market	-	31.45
Total deferred tax expense (benefit)	26.30	68.95
Income tax expense	-	42.65

The Taxation

	As at 31-03-2022	As at 31-03-2021
Provision for current tax expense on the basis of the information available to the company	345.45	120.45
Adjusted tax expense (10.45 - 30.45) - 20.00	120.45	120.45

The provision for current tax expense is based on the information available to the company. The provision for current tax expense is based on the information available to the company.

Key Dates

	As at 31-03-2022	As at 31-03-2021
31-03-2022	-	5.35
31-03-2021	5.35	5.35
31-03-2020	5.35	5.35
31-03-2019	5.35	5.35
31-03-2018	5.35	5.35
31-03-2017	5.35	5.35
31-03-2016	5.35	5.35
31-03-2015	5.35	5.35
31-03-2014	5.35	5.35
31-03-2013	5.35	5.35
31-03-2012	5.35	5.35
31-03-2011	5.35	5.35
31-03-2010	5.35	5.35
31-03-2009	5.35	5.35
31-03-2008	5.35	5.35
31-03-2007	5.35	5.35
31-03-2006	5.35	5.35
31-03-2005	5.35	5.35
31-03-2004	5.35	5.35
31-03-2003	5.35	5.35
31-03-2002	5.35	5.35
31-03-2001	5.35	5.35
31-03-2000	5.35	5.35
31-03-1999	5.35	5.35
31-03-1998	5.35	5.35
31-03-1997	5.35	5.35
31-03-1996	5.35	5.35
31-03-1995	5.35	5.35
31-03-1994	5.35	5.35
31-03-1993	5.35	5.35
31-03-1992	5.35	5.35
31-03-1991	5.35	5.35
31-03-1990	5.35	5.35
31-03-1989	5.35	5.35
31-03-1988	5.35	5.35
31-03-1987	5.35	5.35
31-03-1986	5.35	5.35
31-03-1985	5.35	5.35
31-03-1984	5.35	5.35
31-03-1983	5.35	5.35
31-03-1982	5.35	5.35
31-03-1981	5.35	5.35
31-03-1980	5.35	5.35
31-03-1979	5.35	5.35
31-03-1978	5.35	5.35
31-03-1977	5.35	5.35
31-03-1976	5.35	5.35
31-03-1975	5.35	5.35
31-03-1974	5.35	5.35
31-03-1973	5.35	5.35
31-03-1972	5.35	5.35
31-03-1971	5.35	5.35
31-03-1970	5.35	5.35
31-03-1969	5.35	5.35
31-03-1968	5.35	5.35
31-03-1967	5.35	5.35
31-03-1966	5.35	5.35
31-03-1965	5.35	5.35
31-03-1964	5.35	5.35
31-03-1963	5.35	5.35
31-03-1962	5.35	5.35
31-03-1961	5.35	5.35
31-03-1960	5.35	5.35
31-03-1959	5.35	5.35
31-03-1958	5.35	5.35
31-03-1957	5.35	5.35
31-03-1956	5.35	5.35
31-03-1955	5.35	5.35
31-03-1954	5.35	5.35
31-03-1953	5.35	5.35
31-03-1952	5.35	5.35
31-03-1951	5.35	5.35
31-03-1950	5.35	5.35
31-03-1949	5.35	5.35
31-03-1948	5.35	5.35
31-03-1947	5.35	5.35
31-03-1946	5.35	5.35
31-03-1945	5.35	5.35
31-03-1944	5.35	5.35
31-03-1943	5.35	5.35
31-03-1942	5.35	5.35
31-03-1941	5.35	5.35
31-03-1940	5.35	5.35
31-03-1939	5.35	5.35
31-03-1938	5.35	5.35
31-03-1937	5.35	5.35
31-03-1936	5.35	5.35
31-03-1935	5.35	5.35
31-03-1934	5.35	5.35
31-03-1933	5.35	5.35
31-03-1932	5.35	5.35
31-03-1931	5.35	5.35
31-03-1930	5.35	5.35
31-03-1929	5.35	5.35
31-03-1928	5.35	5.35
31-03-1927	5.35	5.35
31-03-1926	5.35	5.35
31-03-1925	5.35	5.35
31-03-1924	5.35	5.35
31-03-1923	5.35	5.35
31-03-1922	5.35	5.35
31-03-1921	5.35	5.35
31-03-1920	5.35	5.35
31-03-1919	5.35	5.35
31-03-1918	5.35	5.35
31-03-1917	5.35	5.35
31-03-1916	5.35	5.35
31-03-1915	5.35	5.35
31-03-1914	5.35	5.35
31-03-1913	5.35	5.35
31-03-1912	5.35	5.35
31-03-1911	5.35	5.35
31-03-1910	5.35	5.35
31-03-1909	5.35	5.35
31-03-1908	5.35	5.35
31-03-1907	5.35	5.35
31-03-1906	5.35	5.35
31-03-1905	5.35	5.35
31-03-1904	5.35	5.35
31-03-1903	5.35	5.35
31-03-1902	5.35	5.35
31-03-1901	5.35	5.35
31-03-1900	5.35	5.35
31-03-1899	5.35	5.35
31-03-1898	5.35	5.35
31-03-1897	5.35	5.35
31-03-1896	5.35	5.35
31-03-1895	5.35	5.35
31-03-1894	5.35	5.35
31-03-1893	5.35	5.35
31-03-1892	5.35	5.35
31-03-1891	5.35	5.35
31-03-1890	5.35	5.35
31-03-1889	5.35	5.35
31-03-1888	5.35	5.35
31-03-1887	5.35	5.35
31-03-1886	5.35	5.35
31-03-1885	5.35	5.35
31-03-1884	5.35	5.35
31-03-1883	5.35	5.35
31-03-1882	5.35	5.35
31-03-1881	5.35	5.35
31-03-1880	5.35	5.35
31-03-1879	5.35	5.35
31-03-1878	5.35	5.35
31-03-1877	5.35	5.35
31-03-1876	5.35	5.35
31-03-1875	5.35	5.35
31-03-1874	5.35	5.35
31-03-1873	5.35	5.35
31-03-1872	5.35	5.35
31-03-1871	5.35	5.35
31-03-1870	5.35	5.35
31-03-1869	5.35	5.35
31-03-1868	5.35	5.35
31-03-1867	5.35	5.35
31-03-1866	5.35	5.35
31-03-1865	5.35	5.35
31-03-1864	5.35	5.35
31-03-1863	5.35	5.35
31-03-1862	5.35	5.35
31-03-1861	5.35	5.35
31-03-1860	5.35	5.35
31-03-1859	5.35	5.35
31-03-1858	5.35	5.35
31-03-1857	5.35	5.35
31-03-1856	5.35	5.35
31-03-1855	5.35	5.35
31-03-1854	5.35	5.35
31-03-1853	5.35	5.35
31-03-1852	5.35	5.35
31-03-1851	5.35	5.35
31-03-1850	5.35	5.35
31-03-1849	5.35	5.35
31-03-1848	5.35	5.35
31-03-1847	5.35	5.35
31-03-1846	5.35	5.35
31-03-1845	5.35	5.35
31-03-1844	5.35	5.35
31-03-1843	5.35	5.35
31-03-1842	5.35	5.35
31-03-1841	5.35	5.35
31-03-1840	5.35	5.35
31-03-1839	5.35	5.35
31-03-1838	5.35	5.35
31-03-1837	5.35	5.35
31-03-1836	5.35	5.35
31-03-1835	5.35	5.35
31-03-1834	5.35	5.35
31-03-1833	5.35	5.35
31-03-1832	5.35	5.35
31-03-1831	5.35	5.35
31-03-1830	5.35	5.35
31-03-1829	5.35	5.35
31-03-1828	5.35	5.35
31-03-1827	5.35	5.35
31-03-1826	5.35	5.35
31-03-1825	5.35	5.35
31-03-1824	5.35	5.35
31-03-1823	5.35	5.35
31-03-1822	5.35	5.35
31-03-1821	5.35	5.35
31-03-1820	5.35	5.35
31-03-1819	5.35	5.35
31-03-1818	5.35	5.35
31-03-1817	5.35	5.35
31-03-1816	5.35	5.35
31-03-1815	5.35	5.35
31-03-1814	5.35	5.35
31-03-1813	5.35	5.35
31-03-1812	5.35	5.35
31-03-1811	5.35	5.35
31-03-1810	5.35	5.35
31-03-1809	5.35	5.35
31-03-1808	5.35	5.35
31-03-1807	5.35	5.35
31-03-1806	5.35	5.35
31-03-1805	5.35	5.35
31-03-1804	5.35	5.35
31-03-1803	5.35	5.35
31-03-1802	5.35	5.35
31-03-1801	5.35	5.35
31-03-1800	5.35	5.35
31-03-1799	5.35	5.35
31-03-1798	5.35	5.35
31-03-1797	5.35	5.35
31-03-1796	5.35	5.35
31-03-1795	5.35	5.35
31-03-1794	5.35	5.35
31-03-1793	5.35	5.35
31-03-1792	5.35	5.35
31-03-1791	5.35	5.35
31-03-1790	5.35	5.35
31-03-1789	5.35	5.35
31-03-1788	5.35	5.35
31-03-1787	5.35	5.35
31-03-1786	5.35	5.35
31-03-1785	5.35	5.35
31-03-1784	5.35	5.35
31-03-1783	5.35	5.35
31-03-1782	5.35	5.35
31-03-1781	5.35	5.35
31-03-1780	5.35	5.35
31-03-1779	5.35	5.35
31-03-1778	5.35	5.35
31-03-1777	5.35	5.35
31-03-1776	5.35	5.35
31-03-1775	5.35	5.35
31-03-1774	5.35	5.35
31-03-1773	5.35	5.35
31-03-1772	5.35	5.35
31-03-1771	5.35	5.35
31-03-1770	5.35	5.35
31-03-1769	5.35	5.35
31-03-1768	5.35	5.35
31-03-1767	5.35	5.35
31-03-1766	5.35	5.35
31-03-1765	5.35	5.35
31-03-1764	5.35	5.35
31-03-1763	5.35	

49. The Board of Directors of HCL Infosystems Limited at its meeting held on February 20, 2007 has approved to sell the entire shareholding held by HCL Infosystems Limited in HCL Infosys Limited (the "main stake") whereby this, among other things, would require the liquidation of the Company and the subsequent sale of its assets through a business transfer agreement with a third party who has been through management level and all other necessary legal approvals. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The sale of the main stake is being considered for the first time by the Board of Directors and the Company has not yet received any offer for the sale of the main stake. The sale of the main stake is being considered for the first time by the Board of Directors and the Company has not yet received any offer for the sale of the main stake. The sale of the main stake is being considered for the first time by the Board of Directors and the Company has not yet received any offer for the sale of the main stake.
50. The Board of Directors of the Company at their meeting held on March 29, 2007 has approved to issue shares for the purpose of raising the required funds for the main stake. The Board of Directors has also approved to issue shares for the purpose of raising the required funds for the main stake. The Board of Directors has also approved to issue shares for the purpose of raising the required funds for the main stake.
51. Property, plant and equipment held for sale
In order to reduce the Company's debt obligations, the Company has decided to sell its property, plant and equipment held for sale. The Company has decided to sell its property, plant and equipment held for sale. The Company has decided to sell its property, plant and equipment held for sale.
52. The Board of Directors of the Company at its meeting held on March 29, 2007 has approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder.
53. The Company and HCL Infosystems Limited have agreed that the HCL Infosystems Limited will be sold to the Company and the Company will be sold to HCL Infosystems Limited. The Company and HCL Infosystems Limited have agreed that the HCL Infosystems Limited will be sold to the Company and the Company will be sold to HCL Infosystems Limited.
54. The Board of Directors of the Company at its meeting held on March 29, 2007 has approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder.
55. The Board of Directors of the Company at its meeting held on March 29, 2007 has approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder. The Board of Directors has also approved to sell the entire stake of HCL Infosystems Limited to the main stakeholder.

(Signature of the authorized signatory)



34. The authors indicate that the following information on the possible aspects of future events arising from 2001-02 proceedings is the property of these business documents in controlling the impact of 2001-02 on the Company's ability to continue as a going concern. The passage of time has resulted in changes to the original assumptions and the changing nature of the major items comprising the property, plant and equipment, trade receivables and other intangible balances. The report issued on 10 May 2001 is a continuing process and the information contained within it cannot be taken as a final statement of the Company's position. The Company's position on 10 May 2001 is not the only material change to the original assumptions and the information contained within it cannot be taken as a final statement. In part of the document you will be provided with the figures of the results and other financial measures of performance for 2001-02.

New Delhi, July 15, 2015

Received: August 25, 2020

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HCL INFOSYSTEMS LIMITED
Unaudited Standalone financial results for the quarter ended June 30, 2021
 Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
 CIN - L72200DL1986PLC023955
 Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791
 Website www.hclinfosystems.in
 Email ID: cosec@hcl.com

Standalone Statement of Profit and Loss for the quarter ended June 30, 2021		(Rs. In Lakhs)			
Particulars	Standalone				
	Three months ended		Year ended		
	30.06.2021	31.03.2021	30.06.2020	31.03.2021	
	Unaudited	Audited	Unaudited	Audited	
1	Income				
	Revenue from operations	309	727	7,118	21,736
	Other income	776	1,431	370	2,363
	Total Income	1,085	2,158	7,488	24,099
2	Expenses				
(a)	Cost of materials consumed	-	-	-	-
(b)	Purchase of stock-in-trade	441	(64)	6,104	18,148
(c)	Changes in inventories of finished goods and stock-in-trade	(184)	137	804	2,371
(d)	Employee benefits expense	187	398	1,016	2,838
(e)	Finance costs	531	874	1,500	4,950
(f)	Depreciation and amortization expense	49	74	130	403
(g)	Other expenses	1,389	1,927	1,071	6,777
	Total expenses	2,413	3,346	10,625	35,487
3	Profit / (loss) before exceptional items and tax (1 - 2)	(1,328)	(1,188)	(3,137)	(11,388)
4	Exceptional items (loss) (refer note 2)	6,320	(3,363)	(342)	(9,088)
5	Profit / (loss) before tax (3 - 4)	4,992	(4,551)	(3,479)	(20,476)
6	Tax expense				
(a)	Current tax	-	-	-	-
(b)	Deferred tax expense	-	-	-	-
7	Net profit / (loss) for the period (5 - 6)	4,992	(4,551)	(3,479)	(20,476)
8	Other comprehensive income				
A	(i) Items that will not be reclassified to profit or loss	-	(25)	-	(25)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income, net of income tax	-	(25)	-	(25)
9	Total comprehensive income for the period (7 + 8)	4,992	(4,576)	(3,479)	(20,501)
10	Paid-up equity share capital (face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584
11	Reserve as per balance sheet of previous accounting year	-	-	-	(31,067)
12	Earnings per share (of Rs 2/- each) (not annualised):				
(a)	Basic	1.52	(1.38)	(1.06)	(6.22)
(b)	Diluted	1.52	(1.38)	(1.06)	(6.22)

Notes

1. After recommendation by the Audit Committee, these results have been approved and taken on record by the Board of Directors at its meeting held on August 06, 2021. The statutory auditors have issued review report with unmodified opinion on these results.

2. Exceptional items include :

Particulars	(Rs. In Lakhs)			
	Three months ended			Year ended 31.03.2021
	30.06.2021	31.03.2021	30.06.2020	
	Unaudited	Audited	Unaudited	Audited
a. Profit on sale of property, plant and equipments (Refer Note 7)	6,203	-	-	-
b. Provision against loan given to subsidiary	117	(2,453)	(342)	(8,178)
c. Provision for loss in subsidiary#	-	(279)	-	(279)
d. Loss on conversion of ICD to OCD (Refer Note 9)	-	(631)	-	(631)
Total loss - (a+b)	6,320	(3,363)	(342)	(9,088)

The Company has made provision of Nil for the quarter ended June 30, 2021 (for the quarter and year ended March 31, 2021: Rs 279 Lakhs), on account of accumulated losses and erosion of net worth of HCL Infotech Limited.

3. As at June 30, 2021, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net profit of Rs. 4,992 Lakhs during the current period (March 31, 2021: net loss of Rs. 20,476 Lakhs) and the Company's current liabilities exceeded its current assets by Rs. 40,523 lakhs (March 31, 2021: Rs. 46,133 lakhs) as at June 30, 2021. The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. The management of the Company, is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 4), sale of certain non-core properties (refer note 7) and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support (in the form of corporate guarantees and unsecured loans) to the Company upto Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the Company's management and the Board of Directors have a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, these financial results have been prepared on a going concern basis.

4. In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Company, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the previous financial year ended March 31, 2021.

5. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.

6. The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Diglife 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 Honble National Company Law Tribunal (NCLT) at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger. Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results.

7. In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company, therefore during the quarter ended, June 30, 2021, the Company has disposed three properties located in Mohali, Sector-11 Noids and Seterspet, having net carrying amount of Rs.1,407 Lakhs, for a consideration of Rs. 7,610 Lakhs, resulting an overall gain of Rs. 6,203 Lakhs. (quarter and year ended March 31, 2021: Nil). Additionally, the Company has subsequently sold one property located at Hyderabad during the month of July 2021.

8. The Board of Directors of HCL Infosystems Limited in its meeting held on February 10, 2021 had approved to sell the entire shareholding held by HCL Infotech Limited in HCL Infotech Limited at "Net Asset Value" as on closing date, after acquiring the undertaking which shall comprise of the business relating to two specific projects through a business transfer agreement, certain other assets and liabilities through assignment deed and HCL Investments Pte., Singapore & it's step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out as on 30 September 2020 is Rs 14,700 Lakhs. The sale will be made to Novezo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the customers of our key defense project which is forming part of the deal has asked us to maintain status quo and further explore alternative options. The Company is in active discussion with the investor and the customer and this transaction is expected to take longer time than expected initially with of change in terms. Since, the closure of transaction is subject to certain conditions precedents, which are considered to be substantive in nature, the accounting effect of the above transaction has not been considered in these financial results.

9. The Board of Directors of the Company in its meeting held on March 23, 2021, had consented to adjust the unsecured loan advanced to HCL Infotech Limited, a wholly-owned subsidiary, amounting to Rs. 40,000 Lakhs, against the subscription money payable by the Company to HCL Infotech Limited, for subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of Rs.1,000 each (Indian Rupees One thousand only) issued, on private placement basis to the Company, pursuant to terms of OCD Subscription Agreement dated March 31, 2021 between the Company and HCL Infotech Limited. As legally advised, the issuance of 0.1% OCDs does not meet the definition of loan as envisaged under section 186 of the Companies Act, 2013 and accordingly the Company is of the view that the above transaction is outside the purview of the aforesaid section.

Further the company had recognised a loss on of Rs. 631 Lakhs, upon conversion of net balance of unsecured loan into OCD during the previous financial year ended March 31, 2021.

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10. The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 9, issued to the Company shall be redeemed only from and to the extent of the proceeds from certain specified book receivables and favorable awards received by the HCL Infotech Limited in accordance with the terms set out in the OCD Subscription Agreement. Accordingly, HCL Infotech Limited, has transferred its rights to receive cash flows from those specified book receivables and favorable awards to the Company and the aforesaid transaction meets the pass-through arrangement criteria, as per the requirements of Ind AS 109 Financial Instruments. Therefore, the outstanding balance of specified books receivables of Rs. 1,892 Lakhs (including amount of Rs. 867 Lakhs of the contract assets) has been derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs.
11. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial results in the period in which the Code becomes effective and the related rules are published.
12. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2021 and the unaudited published year-to-date figures upto December 31, 2020 being the date of the end of the third quarter of the financial year which were subjected to a limited review.
13. Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

By order of the Board
for HCL Infosystems Limited

Kaushik Dutta
Director

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Date: 2021.08.06
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Place : Noida
Date : August 06, 2021

B S R & Associates LLP

Chartered Accountants

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To
Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **HCL Infosystems Limited** (“the company”) for the quarter ended 30 June 2021 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to note 3 of the Statement, which states that the Company has accumulated losses and has incurred a profit of Rs. 4,992 Lakhs during the current quarter. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 30 June 2021. These conditions, along with other matters set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern i.e., whether the Company will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 3, including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the statement on a going concern basis.

Our opinion is not modified in respect of this matter.

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

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ARORA Date: 2021.08.06
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Girish Arora
Partner
Place: New Delhi
Date: 06 August 2021

Girish Arora
Partner
Membership No: 098652
UDIN: 21098652AAAAABC1791

B S R & Associates LLP

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INDEPENDENT AUDITORS' REPORT

To the Members of **Digilife Distribution and Marketing Services Limited**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 28 to the financial statements.

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021

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

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

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



Sandeep Batra
Partner
Membership No.: 098120
UDIN:21093320AAAABE7367

Place: New Delhi
Date :24-June-2021

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified by the management in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no physical verification was required as per the aforesaid phased programme.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- (ii) The physical verification of inventory have been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vu) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax.

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

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

Name of Statute	Nature of Dues	Demand raised (in lacs)	Amount deposited (in lacs)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax (Chhattisgarh)	9.59	-	2012-13	Commercial Tax Officer - Raipur
Central Sales Tax Act, 1956	Central Sales Tax (Delhi)	29.04	3.49	2011-12, 2012-13	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956	Central Sales Tax (Delhi)	20.42	-	2013-14	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956	Central Sales Tax (Haryana)	0.45	-	2013-14	Assessing Officer, Taxe & Taxation office, Haryana
Central Sales Tax Act, 1956	Central Sales Tax (Jharkhand)	0.71	-	2011-12	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax (Maharashtra)	3.93	-	2013-14	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax (Rajasthan)	20.49	1.30	2012-13 to 2014-15	Assistant Commissioner of Commercial tax, Jaipur
Central Sales Tax Act, 1956	Central Sales Tax (Uttar Pradesh)	9.22	3.26	2011-12 and 2012-13	Additional Commissioner (Appeals) of Commercial Tax Noida
Central Sales Tax Act, 1956	Central Sales Tax (Assam)	63	0.41	2013-14	Office of Assistant Commercial Tax - Assam
Central Sales Tax Act, 1956	Central Sales Tax (Karnataka)	5.29	1.59	2014-15	Assistant Commissioner of commercial tax
Central Sales Tax Act, 1956	Central Sales Tax (Telangana)	0.78	-	2013-14	Commercial Tax Officer - Hyderabad
Central Sales Tax Act, 1956	Central Sales Tax (Uttar Pradesh)	0.88	0.88	2015-16	Additional Commissioner (Appeals) of Commercial Tax Noida
Delhi Value Added Tax Act, 2004	Sales Tax	1.29	-	2010-11	Department of Trade & Taxes - Delhi
Entry Tax Act, 1976, Chhattisgarh	Entry Tax	0.22	-	2012-13	Commercial Tax Officer - Raipur
Karnataka Value Added Tax Act, 2003	Sales Tax	44.47	31.90	2014-15	Assistant Commissioner of commercial tax

Name of Statute	Nature of Dues	Demand raised (in lacs)	Amount deposited (in lacs)	Period to which amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	Sales Tax	1.18	1.18	2015-16	Commercial Tax Officer
Kerala Value Added Tax Act, 2003	Sales Tax	4.32	0.22	2011-12, 2014-15, 2015-16	Deputy Commissioner Commercial Tax, Kochi
Maharashtra Value Added Tax Act, 2002	Sales Tax	582.95	41.71	2012-13 to 2014-15	Joint Commissioner Appeal
Rajasthan Value Added Tax Act-2003	Sales Tax	15.60	-	2013-14 and 2016-17	Commercial Tax Officer, Jaipur, Rajasthan
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	4.05	9.27	2009-10 to 2013-14	Deputy Commissioner (Appeals) of Sales Tax Chennai
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	14.02	5.72	2010-11 to 2013-14	Deputy Commissioner (ST)(FAC) Chennai
Telangana Value Added Tax Act, 2005	Sales Tax	19.06	2.89	2014-18	Deputy Commissioner, Telangana
U.P. Value Added Tax Act-2008	Sales Tax	87.15	20.90	2012-13 and 2014-15	Additional Commissioner (Appeals) of Commercial Tax Noida
U.P. Value Added Tax Act-2008	Sales Tax	15.48	5.26	2013-14	Commercial Tax Tribunal
U.P. Value Added Tax Act-2008	Sales Tax	5.70	3.12	2015-16	The Assistant Deputy Commissioner (Appeals), Uttar Pradesh
Central Sales Tax Act, 1956	Central Sales Tax (Delhi)	1.17	-	2014-15, 15-16	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956*	Central Sales Tax (Delhi)	0.00	-	2009-10	Assessing Officer, Department of Trade and Taxes, Delhi
Central Sales Tax Act, 1956*	Central Sales Tax (Gujarat)	0.00	-	2017-18	Assistant Commissioner of State Tax
Gujarat Value Added Tax Act, 2003	Sales Tax	0.02	-	2017-18	Assistant Commissioner of State Tax
The Central Sales Tax Act, 1956*	Central Sales Tax (Kerala)	0.00	-	2013-14	Deputy Commissioner Commercial Tax, Kerala
The Central Sales Tax Act, 1956*	Central Sales Tax (Madhya Pradesh)	0.00	0.27	2012-13	Joint Commissioner Appeal
Central Sales Tax Act, 1956	Central Sales Tax (Maharashtra)	52.10	-	2015-16	Joint Commissioner Appeal

Name of Statute	Nature of Dues	Demand raised (in lacs)	Amount deposited (in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax (Odisha)	0.49	0.14	2014-15	Assessing Officer, Sales Tax (Bhubaneswar)
Central Sales Tax Act, 1956	Central Sales Tax (Rajasthan)	22.55	-	2013-14 to 2016-17	Assistant Commissioner of Commercial tax, Jaipur
The Central Sales Tax Act, 1956	Central Sales Tax (Telangana)	0.01	-	2016-17	Deputy Commercial Tax Officer, Telangana
The Central Sales Tax Act, 1956	Central Sales Tax (Uttar Pradesh)	8.63	-	2016-17 and 2017-18	Additional Commissioner (Appeals) of Commercial Tax Noida
Gst Value Added Tax Act	Sales Tax	0.32	-	2012-13	Commissioner Appeals
Jharkhand Value Added Tax Act, 2005	Sales Tax	3.04	-	2011-12	Joint Commissioner Appeal
M.P. Value Added Tax Act 2002	Sales Tax	5.28	1.75	2013-14	Joint Commissioner Appeal
M.P. Value Added Tax Act 2002	Sales Tax	61.60	1.29	2016-17	Commissioner Sales Tax
Onssa Value Added Tax Act, 2004	Sales Tax	0.10	-	2014-15	STO (Bhubaneswar)
U.P Value Added Tax Act-2008	Sales Tax	5.18	-	2016-17, 2017-18	STO (UP)
The Uttaraanchal Value Added Tax Act-2005	Sales Tax	0.02	-	2016-17	Assistant Commissioner, Commercial Taxes
Delhi Value Added Tax Act-2004	Sales Tax	13.15	-	2013-14	Deputy Commissioner (Appeals) of Sales Tax Delhi

* Represents demand below Rs one lac.

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

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

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

5/11/21

B S R & Associates LLP

- (x) According to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) As the Company is the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231 W/W-190024



Sandeep Batra
Partner
Membership No. 099320
UDIN:21093320AAA6HE7367

Place: New Delhi
Date :24-June-2021

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

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sandeep Batra

Partner

Membership No.: 099320

UDIN:21093320AAAABK7367


Place: New Delhi

Date: 24-June-2021

		As at 31.03.2021 ₹.Lacs	As at 31.03.2020 ₹.Lacs
I. ASSETS			
Non-current assets			
Property, plant and equipment Right of use assets	3(a) 3(b)	- -	- -
Financial Assets			
(i) Loans and advances	4	87.75	-
Advances to related parties	5	112.84	14.75
Other non-current assets	6	<u>111.59</u>	<u>142.09</u>
Current assets			
Trade Receivables	7	-	59.14
Financial assets			
(i) Trade Receivables	8	-	12.91
(ii) Estimated cash equivalents	9	29.68	20.41
(iii) Bank balances other than payables	10	-	85.53
(iv) Other financial assets	11	-	2.84
Other current assets	12	<u>14.70</u>	<u>122.79</u>
Total Assets		<u>406.54</u>	<u>1,341.47</u>
II. EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	5,000.00	5,000.00
Reserves	14	<u>(5,593.46)</u>	<u>(3,658.53)</u>
Liabilities			
Non-current Liabilities			
Provisions	15	-	9.47
Current Liabilities			
Financial Liabilities			
(i) Borrowings	16	425.99	-
(ii) Trade payables	17	-	-
(iii) Total liabilities due to related parties and small enterprises		-	-
(iv) Total outstanding dues of creditors other than related parties and small enterprises		99.98	97.17
(v) Other financial liabilities	18	2.84	2.84
Other current liabilities	19	3.58	31.91
Provisions	20	<u>27.48</u>	<u>17.15</u>
Total Equity and Liabilities		<u>406.54</u>	<u>1,341.47</u>
Significant Accounting Policies			
2			

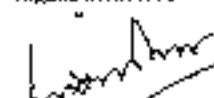
The annexed to above form an integral part of the financial statements.
 As per our report thereon attached

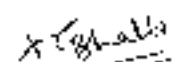
For B S R & Associates LLP
 Chartered Accountants
 Firm Registration Number: U27070/2015-1900004


 Sandeep Sharma
 Partner
 Membership Number: U27070/2015-1900004

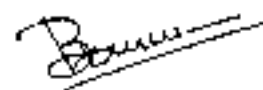
New Delhi, June 24, 2021

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


 Dilip Kumar Srivastava
 Managing Director
 DIN: 00457372


 Gaurav Khanna
 Chief Financial Officer

Noida, June 24, 2021


 Pawan Kumar Dahiwar
 Director
 DIN: 00445551


 Gaurav Khanna
 Company Secretary

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue:		₹ Lacs	₹ Lacs
Revenue from operations	21	1,473.33	1,346.98
Other income	22	196.45	73.11
Total Revenue		1,669.78	1,420.09
Expenses:			
Purchase of inventory		1,210.80	1,167.56
Change in inventories of inventory	23	25.33	233.36
Other income expense	24	0.00	19.72
Employee benefit expense	25	8.37	39.02
Finance costs	26	3.35	6.10
Depreciation and amortisation expense	27(a), 27(b)	-	0.00
Other expenses	27	421.73	101.88
Total expenses		1,669.25	1,557.84
Profit/(Loss) from operations before tax		(56.47)	46.12
Exceptional items		-	-
Profit/(Loss) before tax		(56.47)	46.12
Income tax expense/(benefit):			
- Current tax		0.00	0.00
- Deferred tax		-	117.93
Loss for the year		(56.47)	(71.81)
Other comprehensive income			
Financial assets at fair value through profit or loss		-	0.00
Available for sale financial assets at fair value		-	-
Equity instruments at fair value through profit or loss		-	-
Equity instruments at fair value through profit or loss		-	-
Other comprehensive income for the year		-	0.00
Total comprehensive loss for the year		(56.47)	(71.81)
Earnings per share (₹)	28		
(i) Basic/(₹ Lacs/₹)		10.23	10.41
(ii) Diluted/(₹ Lacs/₹)		10.23	10.41

Significant Accounting Policies

2

The notes form an integral part of the financial statements.

As per our report of even date attached.

For DSR & Associates LLP

Chartered Accountants

10, Regalia, Con No. 44 - 602 006, Chennai



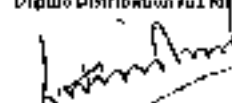
Shalini Kulkarni

Partner

Membership No. 102227

For and on behalf of our Board of Directors

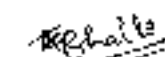
Diglife Distribution and Marketing Services Limited



Deep Kumar Srivastava

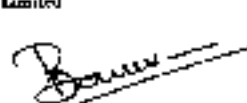
Managing Director

DIN - 00847132



Gaurav Prashad

Chief Financial Officer



Pawan Kumar Sharma

Director

DIN - 00847132



Gyanesh Chandra

Company Secretary

New Delhi, June 24, 2021

Mumbai, June 24, 2021

by

Digifile Distribution and Marketing Services Limited
Cash Flow Statement for the period ended March 31, 2022

		Year ended 31.03.2022 ₹.Lacs	Year ended 31.03.2020 ₹.Lacs
1. Cash Flow from Operating Activities..			
Profit/(Loss) before tax		(10.83)	46.25
Adjustments for:			
Depreciation and amortisation expenses		-	3.81
Finance cost	3.55		8.13
Interest income	(6.19)		(48.94)
Net profit/loss on property, plant & equipment	(40.43)		-
Debt/financial assets written off	-		11.76
Provision for doubtful debts	0.26		0.07
Provision for doubtful loans and advances and other current assets	56.46		-
Gain/loss on foreign exchange fluctuation	(0.61)		1.52
Provision for other current assets	391.85		-
Provision/withdrawal to legal charges written back	(145.82)	235.89	(10.40)
Operating profit/loss after changes in operating assets and liabilities		188.04	21.34
Changes in operating assets and liabilities:			
- Decrease in trade receivables	11.94		43.95
- Decrease/ increase in other current assets	98.07		549.84
- Increase/ decrease in other current assets	21.32		(7.17)
- Decrease in inventories	29.22		308.62
- Decrease in current liabilities	(703.74)		(1,480.22)
- (Increase)/ decrease in non current liabilities	(0.48)	(432.20)	(0.26)
Net cash (used in) / generated from operating activities		(442.76)	(106.02)
- Tax received/(paid) (net)		(7.58)	0.44
Net cash (used in)/generated from operating activities	(A)	(450.34)	(105.58)
2. Cash flow from Investing Activities..			
Interest received	6.03		38.12
Proceeds from sale of fixed assets	0.03		-
Redemption in long term loans/bonds	(3.43)	0.77	49.63
Net cash generated from investing activities	(B)	0.77	87.65
3. Cash Flow from Financing Activities..			
Proceeds from short term borrowings	522.00		-
Loan obligations paid	-		7.47
Repayment of short term borrowings	(170.09)		(6.33)
Interest paid	(0.77)	422.11	(6.10)
Net cash used in financing activities	(C)	(68.85)	(4.96)
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	(458.42)	(22.89)
Opening balance of cash and cash equivalents		58.84	43.73
Closing balance of cash and cash equivalents		29.68	20.84
Cash and cash equivalents comprise of			
Balance sheet bank and current accounts		29.68	20.84
Notes:			
Figures in crores include cash outflow.			

The above cash flow from operating activities has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 19 - Statement of cash flows.

As per our report of date attached

For: KSR & Associates LLP
Chartered Accountants
Firm Registration Number-003770/W/2019-2020

Sankar Datta
Partner
Membership Number - 003770

New Delhi, June 24, 2022

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

Dilip Kumar Srivastava
Managing Director
DIN - 0000117

Gaurav Bhalla
Chief Financial Officer

Noida, June 24, 2022

Pawan Kumar Duggan
Director
DIN - 00040515

Gurpreet Kaur
Company Secretary

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

a. Equity Share Capital

₹/Lacs

	Number of equity shares	Equity share capital
Balance as at 01.04.2019	36,030,000	3,603.00
Balance as at 31.03.2020	36,030,000	3,603.00
Balance as at 01.04.2020	36,030,000	3,603.00
Balance as at 31.03.2021	36,030,000	3,603.00

b. Other Equity

₹/Lacs

Particulars	Retained Earnings	Total
Balance as at 01.04.2019	(5,572.72)	(5,572.72)
Loss for the year	(79.00)	(79.00)
Other comprehensive income for the year	0.75	0.75
Balance as at 31.03.2020	(5,650.96)	(5,650.96)
Balance as at 01.04.2020	(5,650.96)	(5,650.96)
Loss for the year	(60.14)	(60.14)
Other comprehensive income for the year	-	-
Balance as at 31.03.2021	(5,711.10)	(5,711.10)

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

For BSR & Associates LLP
 Chartered Accountants
 Firm Registration Number-113231W/W-1000124

Sandeep Bhatia
 Partner
 Membership Number - 0937120

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

Dilip Kumar Srivastava
 Managing Director
 DIN - 06847137

Ravish Kumar Datta
 Director
 DIN - 06849503

Gaurav Dhallu
 Chief Financial Officer

Gurjun Sharma
 Company Secretary

New Delhi, June 24, 2021

Noida, June 24, 2021

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Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

1. Corporate information

Digilife Distribution and Marketing Services Limited ('the Company') is domiciled and incorporated in India. The registered office of the company is situated at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

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

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

2. Significant accounting policies

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

2.1 Basis of preparation and measurement

(i) Basis of preparation

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

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

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

(ii) Basis of measurement

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

2.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2.3 Use of estimates

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

Signature

Stamp



2.4 Critical accounting estimates, assumptions and judgements

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

a) Property, plant and equipment

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

b) Intangibles

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

c) Income taxes

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews, at each balance sheet date, the carrying amount of deferred tax assets and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Company has significant business losses which are available to be set-off against the future taxable income, at each reporting date, the management evaluates whether it is reasonably certain to recognise deferred tax assets on such business losses, considering the future outlook of business. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

d) Contingencies

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

e) Allowance for uncollected accounts receivable and advances

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

2.5 Current versus non-current classification

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



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2.6 Property, plant and equipment

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

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

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

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

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

2.7 Intangible assets

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

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

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

Software

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

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

Software	3-5 years
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5/11/



2.8 Leases

As a lessee

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

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

As a lessor

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

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

2.9 Financial instruments

A. Financial instruments – initial recognition and measurement

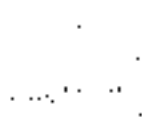
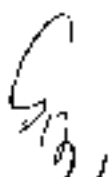
Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. All financial assets and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

B. Financial assets

1. Subsequent measurement

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

Debt instrument



Diglife Distribution and Marketing Services Limited
Notes to the Financial Statements

a. Financial assets at fair value through profit or loss

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

b. Financial assets measured at amortised cost

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

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

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

Equity instruments

1. Subsequent measurement

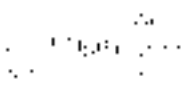
The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payments is established.

2. Derecognition

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

C. Financial liabilities

1. Subsequent measurement



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

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.

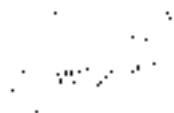
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) market prices in the active markets for identical assets or liabilities.
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

2.10 Income tax

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



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

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

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

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

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

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

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.11 Inventories

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

Cost of stock-in-trade comprises cost of purchases. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.12 Cash and cash equivalents

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

2.13 Impairment of assets

a. Financial assets

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

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

b. Non-financial assets

Intangible assets and property, plant and equipment

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

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

2.14 Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that

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Digilife Distribution and Marketing Services Limited
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has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other gains/(losses).

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

2.15 Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

b) Contingencies

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

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

2.16 Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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

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

2.17 Revenue recognition

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

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

Sale of products

Timing of recognition

The Company is engaged into the business of –

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

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

Measurement of revenue

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

Interest income

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

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2.18 Employee benefits

Defined benefit plans

Gratuity

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

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

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

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

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

Provident fund

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

Defined contribution plans

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

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

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

Other benefits

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefits. The obligation towards the same is



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

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

Long term employee benefits

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

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:

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

(ii) Diluted earnings per share

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

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

2.20 Exceptional items

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

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Digital Distribution and Marketing Services Limited
Notes to the Financial Statements

7 (a). Property, plant and equipment

The changes to carrying amount of property, plant and equipment

Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2021	As at 31.03.2022
Office equipment	0.00	-	-	0.38	-	0.38
Total	0.00	-	-	0.38	-	0.38

Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2021	As at 31.03.2022
Office equipment	0.00	-	0.11	0.02	0.11	0.11
Total	0.00	-	0.11	0.02	0.11	0.11

7 (b) Right of use assets

Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2021	As at 31.03.2022
Right of use assets	0.00	-	-	7.57	-	7.57
Total	0.00	-	-	7.57	-	7.57

Particulars	Gross Carrying Amount			Accumulated Depreciation		Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2021	As at 31.03.2022
Right of use assets	0.00	7.57	-	0.00	7.57	7.57
Total	0.00	7.57	-	0.00	7.57	7.57



Diglife Distribution and Marketing Services Limited
Note to the Financial Statements

4 Other non-current financial assets

Considered Good

Balance with bank margin money

As at
31.03.2021
₹/Lacs

As at
31.03.2020
₹/Lacs

As at

As at

-

-

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Diglife Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2021 TZS 000	As at 31.03.2020 TZS 000
5 Advance income tax asset (net of provisions)		
Advance income tax	112.84	114.55
[Provision for income tax of TZS 000 (2020 - TZS 127,521 loss)]		
TOTAL	<u>112.84</u>	<u>114.55</u>
6 Other non-current assets		
Unsecured, considered good		
Balance with government authorities	221.56	242.69
TOTAL	<u>221.56</u>	<u>242.69</u>
7 Inventories		
Stock-in-trade	-	55.12
(including goods in transit TZS 2020 - TZS 45 loss)		
TOTAL	<u>-</u>	<u>55.12</u>
Note - company's inventories to net realisable value amounted to TZS Nil loss (2020 - TZS 0.00 loss). There were included in the gross value of inventories of stock-in-trade in statement of profit and loss		
8 Trade receivables (refer note 3.3)		
Unsecured		
Considered good	-	12.23
Credit impaired	40.41	190.28
Total	<u>40.41</u>	<u>202.51</u>
Less: Allowance for doubtful debts	<u>(40.41)</u>	<u>(150.22)</u>
	<u>-</u>	<u>52.29</u>
9 Cash and cash equivalents		
Deposits with banks		
- current account	29.68	63.87
Cheques in hand	-	1.04
TOTAL	<u>29.68</u>	<u>64.91</u>
10 Other bank balances		
Balance with bank	-	82.71
- De-mat account		
TOTAL	<u>-</u>	<u>82.71</u>

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Orville Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2020 ₹ (Lacs)	As at 31.03.2020 ₹ (Lacs)
11. Other current financial assets		
Security deposits	-	1.23
Others (includes employee advances and loan under claim from banks)	-	7.53
TOTAL	-	8.76
12. Other current assets		
Unsecured		
Considered good		
Balance with customers for trust, estate and sales tax, goods and services tax authorities	10.87	408.21
Advances to creditors	2.05	81.38
Deposits with tax authorities	-	0.97
Prepaid expenses	1.94	0.10
Considered doubtful		
Deposits and other advances	-	0.04
Less: Allowance for doubtful other current assets	-	(11.64)
TOTAL	14.86	498.06
13. Share capital		
Authorized		
60,000,000 Equity shares (2020 - 2021) of ₹ 10/- each	6,000,000	60,00,000
TOTAL	6,000,000	60,00,000
Issued, Subscribed and Paid up		
56,049,064 Equity shares of (2020 - 2021) of ₹ 10/- each (fully paid up)	5,604,906	5,60,49,064
TOTAL	5,604,906	5,60,49,064
Notes:		
(i) Rights attached to Equity shares:		

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

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

(i) Shareholders holding more than 5% of the aggregate shares in the Company	As at 31.03.2021		As at 31.03.2020	
	No. of shares	% of shares	No. of shares	% of shares
BCL Infrastructure Limited (Holding Company)	56,049,064	100.00%	56,049,064	99.99%

5/7/21



DigLife Distribution and Marketing Services Limited
Notes to the Financial Statements

	As at 31.03.2021 ₹, Lacs	As at 31.03.2020 ₹, Lacs
14 Other equity:		
Retained earnings		
Opening balance	15,060.46	15,579.79
Net loss for the year	(60.14)	(90.00)
Other comprehensive income for the year	-	0.76
Closing balance	(5,711.10)	(5,599.96)
TOTAL	(5,711.10)	(5,599.96)
15 Non-current provisions		
Provision for gratuity and other employee benefits (refer Note 11)	-	0.41
TOTAL	-	0.41
16 Current borrowings		
Bank loan related party*	425.99	-
TOTAL	425.99	-
* Unsecured loan from JSC Infotek Systems Limited, the Holding Company, amounting to ₹ 425.99 Crores (2020 - ₹ Nil) is repayable on demand and carries an interest @ 2.50% to 4.00% per annum (refer note 39).		
17 Trade payables (refer note 35)		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 35) are	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	90.49	97.07
TOTAL	90.49	97.07
18 Other current financial liabilities		
Employee benefits payable	5.61	5.77
TOTAL	5.61	5.77
19 Other current liabilities		
Advances received from customers	5.04	832.1
Outstanding dues payable	0.54	2.45
TOTAL	5.58	834.56
20 Current provisions		
Provision for gratuity and other employee benefits	-	0.31
Provision for litigation - (refer note 38.1a)	47.48	47.41
TOTAL	47.48	47.72

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Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

	Year ended 31.03.2022	Year ended 31.03.2021
	€7,144	€7,144
21. Revenue from operations		
Sale of products	1,473.35	1,450.98
Other Operating Revenue		
- Setup fee	0.00	-
TOTAL	1,473.35	1,450.98
22. Other Income		
Income from financial assets at amortised cost		
- On fixed deposits	5.94	38.44
- Dividends	12.23	-
Net profit/(loss) on sale of property, plant & equipment	0.03	-
Gain/(loss) on account of foreign exchange fluctuations	4.01	-
Provision/(release) on asset revalued under lease	145.62	30.35
Miscellaneous income	7.00	21.23
TOTAL	164.83	70.02
23. Changes in inventories of stock-in-trade		
Opening balance		
- Stock-in-trade	-	24.12
Closing balance		
- Stock-in-trade	24.12	392.70
Changes in inventories of Stock-in-trade	24.12	368.58
24. Other direct expense		
Purchase of services	0.18	12.17
TOTAL	0.18	12.17
25. Employee benefits expense		
Salaries, wages, bonus and gratuity (refer note 30)	8.00	75.39
Contribution to provident and other funds (refer note 30)	0.26	0.00
Staff welfare expenses	-	0.01
TOTAL	8.26	75.40
26. Finance costs		
Interest expense on financial liabilities at amortised cost	3.55	6.12
TOTAL	3.55	6.12
27. Other expenses		
Brent (refer note 30)	18.22	44.34
Rates and taxes	289.38	123.84
Printing and stationery	0.09	0.00
Contributions	0.05	0.00
Traveling and conveyance	-	0.01
Freight, freight and forwarding	0.00	2.41
Legal, professional and compliance charges (refer note 30)	43.04	48.11
Insurance	11.86	7.56
Deposits, advances and cash paid	-	11.63
Bank charges	0.84	10.74
Provision for doubtful debts	0.26	0.00
Provision for doubtful loans and advances and other current assets	55.64	-
Gain/(loss) on account of foreign exchange fluctuations	-	1.32
Current cost allocated from HFL Invoystems Limited, the holding company	1.33	27.43
Miscellaneous	16.08	11.64
TOTAL	431.75	303.89

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Diglife Distribution and Marketing Services Limited
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28. a) Contingent Liabilities:

Claims against the Company not acknowledged as debts:

	₹/Lacs	
	As at 31.03.2021	As at 31.03.2020
Sales tax*	1,025.03	919.92
Industrial Disputes, Civil Suits and Consumer Disputes	1.76	1.76

* Net sum of ₹ 969.41 lacs (as at 31.03.2021) - ₹ 127.26 lacs deposited by the Company against the above

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

b) Other litigations:

The Company has certain sales tax and other related litigation amounting to ₹ 47.48 lacs (approx. ₹ 17.54 lacs) against which provision have been made. Provision amounting to ₹ 10.42 lacs (approx. ₹ 1.76 lacs) was provided and provision amounting to ₹ 0.55 lacs (approx. Nil) was utilized during the year.

29. Earnings per share (EPS):

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Loss after tax (₹ lacs)	(60.34)	179.00
Weighted average number of shares considered as outstanding in computation of basic EPS	56,050,000	56,050,000
Weighted average number of shares considered as outstanding in computation of diluted EPS	56,050,000	56,050,000
Basic EPS (₹/- each)	(0.11)	0.32
Diluted EPS (₹/- each)	(0.11)	0.32

There are no dilutive equity shares as at year end.

30. Remuneration to auditors*

	Year ended 31.03.2021	Year ended 31.03.2020
a) Statutory Audit	3.00	4.00
b) Tax audit fees / Consultancy	4.18	2.00
c) Out of pocket expenses	-	0.65
Total	7.18	6.65

*excluding GST as applicable

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Diglife Distribution and Marketing Services Limited
Notes to the Financial Statements

34 The Company has disclosed the various benefit provided to employees as under

(a) Defined contribution

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

(i) Employees' contribution to Employees' Pension Scheme 1995*

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

(ii) Defined benefit

(a) Salary

(ii) Provident fund

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

	₹/Lacs	
	Granularity	
	As at 31.03.2021	As at 31.03.2020
Discount rate (per annum)	-	5.00
Rate of increase in compensation costs	-	5.00
Expected average remaining working life of employees (years)	-	15.46

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.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	₹/Lacs	
	Granularity	
	As at 31.03.2021	As at 31.03.2020
Present value of obligation at the beginning of the year	0.39	0.00
Current service cost	-	0.39
Interest cost	-	0.07
Total amount recognised in profit or loss	0.39	1.45
Actuarial (gain)/loss from change in demographic assumptions	-	(0.10)
Actuarial (gain)/loss from change in financial assumptions	-	0.05
Experience (gain)/loss	-	(0.11)
Total amount recognised in other comprehensive income	-	(0.16)
Benefits (paid) / adjusted	(0.39)	-
Present value of obligation at the end of the year	-	0.39

Cost recognised for the year -

	₹/Lacs	
	Granularity	
	Year ended 31.03.2021	Year ended 31.03.2020
Current service cost	-	0.00
Interest cost	-	0.07
Actuarial (gain)/loss	-	(0.70)
Net cost recognised for the year*	-	(0.63)

* Included in Salaries, Wages, Bonus and Gratuity for Ordinary and Contribution to Provident and Other Funds for Provident Fund under Employee benefits expense (Refer Note 25) and other comprehensive income.

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

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

* To support of certain eligible employees, the Company is participant under a provident fund plan which is administered through a trust employer trust. The participants have an obligation to make good any deficiency in the interest to be paid by the Trust to its members and the income earned by it. Accordingly the plan is not a defined benefit plan. The trust has obtained an actuarial valuation of the Provident fund liability as at the balance sheet date and as per valuation report, there is no shortfall as on 31.03.2021. The valuation report contained details for the disclosure requirement of the Ind AS 39 "Employee Benefits" for the trust as a whole, however breakdown of the respective effects is not available and accordingly the disclosure for provident fund liability as required by Ind AS 19 "Employee Benefits" has not been made in these financial statements. The Company's contribution to provident fund for the year is ₹ 0.08 lacs (2020 - ₹ 0.22 lacs) which has been included under Contribution to Provident and Other Funds (refer note 25).



Digitalife Distribution and Marketing Services Limited
Notes to the Financial Statements

Financial Instruments and Risk Management

32. Fair value measurements

The carrying amount of financial instruments by categories is as follows:

							2018/19
Particulars	Month	Amount	Fair value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Current assets							
(a) Trade receivable	1	-	-	-	-	-	-
(b) Cash and cash equivalents	2	-	-	-	112.50	112.50	112.50
(c) Debt and equity securities	3	-	-	-	29.68	29.68	29.68
(d) Bank balances and loan (1 month)	4	-	-	-	128.61	128.61	128.61
(e) Other financial assets	5	-	-	-	192.31	192.31	192.31
		-	-	-	360.50	360.50	360.50
		-	-	-	29.68	29.68	29.68
		-	-	-	1521.60	1521.60	1521.60
Financial liabilities							
Current liabilities							
(a) Borrowings	6	-	-	-	425.00	425.00	425.00
(b) Dividends payable	7	-	-	-	20.96	20.96	20.96
(c) Other financial liabilities	8	-	-	-	16.67	16.67	16.67
		-	-	-	2.64	2.64	2.64
		-	-	-	17.71	17.71	17.71
		-	-	-	519.98	519.98	519.98
		-	-	-	1022.84	1022.84	1022.84

Note: The carrying amount is expressed in thousands.

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Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

33 Financial risk management

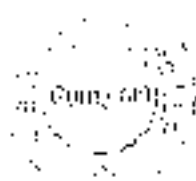
The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

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



Digitife Distribution and Marketing Services Limited
Notes to the Financial Statements

Credit risk

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

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

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

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

Following table ageing-breakup of trade receivables:

Ageing (in days)	₹/Lacs	
	As at 31.03.2021	As at 31.03.2020
Not Due	-	1.80
0-90 days past due	-	-
91-180 days past due	-	-
181-365 days past due	-	-
1 - 2 years past due	-	17.29
More than 2 years past due	40.41	141.43
	40.41	160.52

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 payment greater than 11 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

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

	₹/Lacs	
	As at 31.03.2021	As at 31.03.2020
Opening balance		
Provided during the year	1.022	201.79
Provision written back during the year	0.26	0.07
Trade receivables written off	(1.097)	(51.64)
Closing balance	40.41	150.22



Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

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	Carrying Value	On demand	₹/Lacs			
			Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
Non-derivatives						
Borrowings						
- Finance leases	425.99	425.99	-	-	-	-
	-	-	-	-	-	-
Trade payables	90.96	-	90.96	-	-	-
	(977.07)	-	(977.07)	-	-	-
Other Financial liabilities						
- Employee benefits payable	2.64	-	2.64	-	-	-
	(5.77)	-	(5.77)	-	-	-
Total non-derivative liabilities	519.59	425.99	93.60	-	-	-
	(382.84)	-	(382.84)	-	-	-

Note: Previous year figures are given in brackets.

Signature

CHIEF FINANCIAL OFFICER



Market risks

Foreign currency H&L

The Company's primary operations are in India and therefore, functional currency of the Company is considered as INR. The Company evaluates the exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies which are approved by the senior management and the Finance Committee, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency risk exposure

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

	USD
Financial liabilities	-
Trade payables	(1.8.8)
Net exposure to foreign currency risk (liability)	-
	(1.8.8)

Note: Previous year figures are given in brackets.

Sensitivity

The Company's foreign statutory exposure as at the reporting date not being significant, human capitalistic exposure has not been reported.

Marker plot:

Interest rate risk

The Company's main interest rate risk arises from borrowings with variable interest rates, which expose the Company to cash flow interest risk. As at 31.03.2007, the Company has € 425.59 Lakhs (2006: Nil) of borrowings with variable interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing of fixed and floating rate financial instruments in its total portfolio.

4. (a) 1.12×10^{-14} (b) 1.12×10^{-14}

The exposure of the groups is broken down to interest rate changes at the end of the reporting period as follows:

	As at 31.03.2021	As at 31.03.2020
Variable rate borrowings	425,199	-
Fixed rate borrowings	-	-
Total borrowings	425,199	-

As at the end of the reporting period, the company had the following assets and liabilities:

	31.03.2021			31.03.2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Variable rate borrowings	3.28%	425.99	100.00	NA	-	NA

(b) Sensitivity:

Trait at least 3, due due to higher / lower interest expense: (L) borrowing as a result of changes in interest rates.

	Impact on profit after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	As at 31.03.2021	As at 31.03.2020
Interest rates - increase by 10 basis points	(0.20)	-	(0.29)	-
Interest rates - dec. rate by 10 basis points	0.20	-	0.29	-

5

1. *Chlorophyll a* and *Chlorophyll b* were determined using a spectrophotometer (Shimadzu UV-1601) at 663 nm and 646 nm, respectively. The concentrations were calculated using the following equations:



34 Capital management

Risk management

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

The Capital structure is managed with the following policy as follows:

	Actual 31-03-2021	Actual 31-03-2020
Net debt	425.80	-
Equity	(200.50)	(95.96)
Capital structure ratio	214.89	187.96
Gearing ratio	225.87%	100.0%

The holding company is HCL Infotexture Limited, has a share of 100% of the share capital of the Company and also the Company has taken insurance from its Holding Company and the Company is not subject to any externally imposed capital requirements for the year ended 31.03.2021 and 31.03.2020.

35 Disclosure of related parties and related party transactions

(a) Company having substantial interests:

HCL Infotexture Private Limited

(b) Holding company:

HCL Infotexture Limited

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

HCL Infotexture Limited

HCL Learning Limited

Key Management Personnel:

Mr. Anuj Sharma (D.O. last date paid 2020)

Mr. Gurpreet Kaur (Company Secretary)

Dr. Gaurav Khosla appointed as a first Finance Officer (CFO) of the Company on 1st June, 2021

* Remuneration has been paid to HCL Infotexture Limited.

Particulars	Company having substantial interest		Holding Company		Fellow Subsidiaries		Others		Total	
	March-21	March-20	March-21	March-20	March-21	March-20	March-21	March-20	March-21	March-20
(C) Transactions										
Purchase of Goods HCL Infotexture Limited			1,194.88	1,234.15					1,194.88	1,234.15
			1,151.43	1,150.02					1,151.43	1,150.02
Assets Sold HCL Infotexture Limited				1.00					-	1.00
				1.00					-	1.00
Net Inter Company Deposits (HCL) Taken			425.84						425.84	-
HCL Infotexture Limited			425.84	-					425.84	-
Net Inter Company Deposits (HCL) Refunded/ Adjusted			-	0.15					-	0.15
HCL Infotexture Limited			-	0.15					-	0.15
Interest on Inter Company Deposits (HCL) Taken			3.35	-					3.35	-
HCL Infotexture Limited			3.35	-					3.35	-
Reimbursement of Expenses										
a) Paid			1.54	144.11					1.54	144.11
HCL Infotexture Limited			1.54	144.11					1.54	144.11
Due amount due to related parties										
Trade payables		2.38				2.38		0.88		4.34
Prepaid expenses			27.58	43.70				27.58		43.70
Amount of borrowing			425.89					425.89		-

* Amount due to/from related parties are measured and are repayable / receivable in cash.



Digital Distribution and Marketing Services Limited
Notes to the Financial Statements

36 Taxation:

- a) Provision for taxation has been computed by applying the Income Tax Act, 1961 and other relevant tax regulations in the jurisdiction where the Company conducts the business in the profit for the year. Deferred tax assets and deferred tax liabilities, in effect, 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 pertain to the same taxable entity and the same taxation authority.

b) Deferred tax:

Major components of Deferred tax are on account of timing differences along with their movement as at 31.03.2021 are as follows:

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

* During the year, deferred tax assets amounting to ₹ Nil (2020 - ₹ 17.95 Lakhs) has been written off due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be utilized.

c) Income tax expense:

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-deductible and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(i) Income tax expense		
Current tax	9.29	8.12
Total current tax expense	9.29	8.12
Deferred tax		
Decrease in MAT credit	-	127.43
Total deferred tax expense/(benefit)	-	127.43
Income tax expense	9.29	135.55

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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before income tax expense	(50.83)	47.91
Tax at the Indian tax rate of 31.20% (2020 - 31.20%)	(15.86)	14.74
Difference in taxation between current tax and MAT	-	-
Adjustments for current tax credit of benefit	9.29	-
MAT paid	-	8.12
Decrease / (Increase) in MAT credit	-	112.60
Deferred tax used for accounting in the current year	15.95	-
Income tax expense	9.29	135.45

Tax losses	As at 31.03.2021	As at 31.03.2020
Unused tax losses for which no deferred tax assets has been recognized	3,915.07	3,845.03
Effective tax benefit at 31.20% (2020-31.20%)	1,221.86	1,209.81

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

Financial Year	As at 31.03.2021	As at 31.03.2020
31.03.2022	597.71	597.71
31.03.2023	2897.41	2897.41
31.03.2024	1415.20	1415.20
31.03.2025	11.21	11.21
31.03.2026	271.85	151.68
31.03.2028	0.00	0.00
31.03.2029	70.80	0.00
No limit	62.15	62.32
Total	3916.22	3845.33



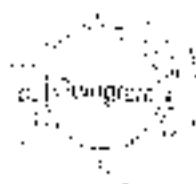
Digilife Distribution and Marketing Services Limited
Notes to the Financial Statements

37 Leases:

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

Particulars	₹/Lacs	
	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation expense - Right-of-use assets (Building) (refer note 36)	-	7.57
Interest on lease liabilities (refer note 26)	-	0.30
Rent expense - others (refer note 27)	12.92	24.38

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



None, rather Fluoride! Sincerely,

44. *U. delectata* (Hb. no. and small E. *U. delectata* considered primitive) available with the *C. cryptus*

	As at 31.03.2021	As at 31.03.2020
a. In 2020, settlement of interest on payables supplied as at the end of the year for interest due on the above amounts.	-	-
b. In 2020, the interest paid on loans in settlement of the above, bank and National Mortgage Bank, per 31.03.2021 is that:	-	-
c. Amount of interest payable to the bank to be paid the expected day during the year.	29,59	5,23
d. Amount of interest due and payable for the period of the year in making payments less than the adding the interest specified under item b.	-	-
e. Amount of interest received and remaining amount at the end of the year:	2,57	0,18
f. Amount of interest received remaining amount payable over to the controlling company, with the date when the interest due on above are fully paid to the controlling company.	-	-

- Since the proposed Schedule 1 subject to approval, from deferred regulatory restrictions, which is allowed to be voluntary, the resulting effect of the above scheme is that we considered in our financial statements.

- Management believes that it has taken the account of the possible impacts of current events arising from the COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has assessed the impact of the business and the carrying value of its major assets, including the 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 from the current estimates. The Company will continue to monitor any material changes in future economic conditions and any significant impact of these changes could be assessed in the 5th quarter of 2020 or even in those material changes to those in the current period.

Sandwich Islands
Pitcairn
New Hebrides (Vanuatu) 682420

Philip Kuster, President
Managing Director
E.ON Energy Research Center

Monday, June 24, 2020

Pawan Kumar Shrivastava
Deputy
PIN - 226004

Franklin K. Brown
Columbus, Georgia

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

	Notes	As at 30.06.2021 INR	As at 30.06.2020 INR
I. ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	-	-
Right of use assets	3(b)	-	-
Financial assets			
(i) Other financial assets	4	89.08	87.76
Advances against tax paid	5	112.84	111.81
Other non-current assets	6	221.91	221.96
		<u>423.83</u>	<u>421.53</u>
Current assets			
Inventories	7	-	-
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	8	(0.00)	-
(iii) Cash and cash equivalents	9	25.81	25.65
(iv) Bank balances other than (iii) above	10	-	-
(v) Other financial assets	11	-	-
Other current assets	12	14.68	14.70
		<u>39.79</u>	<u>40.35</u>
Total Assets		<u>463.62</u>	<u>461.88</u>
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	5,615.00	5,615.00
Other equity	14	<u>15,774.60</u>	<u>15,771.10</u>
		<u>1119.60</u>	<u>1106.10</u>
Non Controlling Interests			
Liabilities			
Non-current liabilities			
Current liabilities			
Financial liabilities			
(i) Borrowings	16	429.70	429.96
(ii) Trade payables	17	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		91.30	90.95
(iii) Other financial liabilities	18	2.64	2.64
Other current liabilities	19	11.43	5.52
Provisions	20	<u>47.48</u>	<u>47.48</u>
Liabilities for Current Tax (Net)		-	-
		<u>582.54</u>	<u>574.55</u>
Total Equity and Liabilities		<u>463.62</u>	<u>461.88</u>

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



Pawan Kumar Danwar
Director
DIN: 06847503

New Delhi, September 27, 2021



Digilife Distribution and Marketing Services Limited

(Unaudited Statement of Profit and Loss for the period ended June 30, 2021 (Previous period))

	Notes	Period ended June 30, 2021	Year ended June 30, 2020
		\$/Lacs	\$/Lacs
Income :			
Revenue from operations	11	-	1,475.25
Other Income	12	5.43	159.45
Total Income		5.43	1,494.70
Expenses :			
Cost of materials consumed		-	26,12.56
Purchase of stock-in-trade		-	29.17
Changes in inventory of stock-in-trade	13	-	0.18
Other direct expenses	14	-	5.79
Employee benefits expense	15	-	3.55
Finance costs	16	4.14	-
Depreciation and amortization expense	17(a), 17(b)	14.83	47.75
Other expenses	18	-	-
Total expenses		18.97	34.67
Profit/(loss) before exceptional items and tax		(13.54)	(30.80)
Exceptional items		-	-
Profit/(loss) before tax		(13.54)	(30.80)
Income tax expense (after effects):			
- Current tax		-	9.23
- Deferred tax		-	-
Tax paid/(received) in the year		-	9.23
Profit/(loss) for the period from continuing operations		(13.54)	(40.03)
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
Profit/(loss) from Discontinued operations after tax (X)			
Loss for the period		(13.54)	(40.03)
Other comprehensive income			
Items that will not be recycled (net of profit or loss)			
Gain/(loss) on measurement of defined benefit plan		-	-
Gain/(loss) on revaluation of investments that will not be recycled to profit or loss		-	-
Gain/(loss) on revaluation of investments that will be recycled to profit or loss		-	-
Total comprehensive loss for the year		(13.54)	(40.03)
Earnings per share (in ₹)	19		
(a) Basic (of ₹ 10/- each)		(1.354)	(4.003)
(b) Diluted (of ₹ 10/- each)		(1.354)	(4.003)
Earnings per equity share (for discontinued operations):			
(a) Basic		-	-
(b) Diluted		-	-
Earnings per equity share for Discontinued operations:			
(a) Basic		(6.02)	(6.02)
(b) Diluted		(6.02)	(6.02)

For and on behalf of the Board of Directors

Digilife Distribution and Marketing Services Limited

Praveen Kumar Dhillon

Director

UDN - 6018923

New Delhi, September 20, 2021



B S R & Associates LLP

Chartered Accountants

Building No. 10, 2nd Floor Tower B
18 F Cyber City, Phase-II
Gurgaon - 122 002, India

Telephone: +91 124 7167003
Fax: +91 124 295 0610

INDEPENDENT AUDITORS' REPORT

To the Members of HCL Learning Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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

B S R & Associates LLP, Chartered Accountants
Firm No. 000029/2019-2020, Office Registered with
the Institute of Chartered Accountants of India
Firm No. 000029/2019-2020, Office Registered with
the Institute of Chartered Accountants of India

Registered Office
1, First Floor, Park
Kirti Vihar, Connaught
Road, Jodhpur, Rajasthan
Pincode - 342001

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements- Refer Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

For B S R & Associates LLP
Chartered Accountants
Firm Registration No.: 116231 W/W-100924



Sandeep Ratna
Partner
Membership No.: 099320
UDIN:21093320AAAAR09072

Place: New Delhi
Date :24-June-2021

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified by the management in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no physical verification was required as per the phased programme.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- (ii) The physical verification of inventory have been conducted at reasonable intervals by the management during the year. Based on above verification, no discrepancies noticed.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax.

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

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

Name of Act	Nature of Dues	Demand Raised (Rs. in Lacs)	Amount Deposited (Rs. in Lacs)	Assessment Year	Forum where dispute is pending
Central Sales Tax, 1956	Central Sales Tax (Delhi)	18.84	-	2014-15	Assistant VAT Officer, Delhi
U.P. Trade Tax Act, 1948	Sales Tax	9.86	4.73	2014-15	Commercial Tax Tribunal, Noida
U.P. Trade Tax Act, 1948	Sales Tax	7.40	5.38	2015-16	Commissioner Appeals, Commercial Taxes, Noida
U.P. Trade Tax Act, 1948*	Sales Tax	0.00	0.00	2015-16	Joint Commissioner, Commercial Taxes, Noida
Rajasthan Value Added Tax Act, 2003	Sales Tax	0.15	-	2014-15	Commercial Tax Officer, Jaipur, Rajasthan
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	0.38	-	2014-15	Assistant Commissioner of Sales Tax Chennai
Central Sales Tax, 1956	Central Sales Tax (Maharashtra)	0.23	-	2013-14	Deputy Commissioner of Sales Tax - Mumbai

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

- (viii) According to the information and explanation given to us, the Company has not availed any loan or borrowings from any financial institution, banks or government and did not have any outstanding dues to the debenture holders during the year. Accordingly, the provisions of Clause 2(vii) of the Order are not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of term loan. Also, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 182 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

B S R & Associates LLP

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



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

Place: New Delhi
Date : 24-June-2021

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

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

BSR

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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



Sandeep Batra
Partner
Membership No. 099326
UDIN:21093326AAAA8D9072

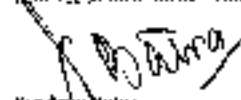
Place: New Delhi
Date :24-June-2021

	Notes		As at 31.03.2021 ₹ Lacs	As at 31.03.2020 ₹ Lacs
I. ASSETS				
(i) Non-current assets				
Property, plant and equipment	1(a)	-	-	-
Intangible assets	1(b)	-	-	-
Financial assets				
(i) Other financial assets	4	28.00	18.55	-
(ii) Advance receivable from	5	131.15	781.15	-
(iii) Other assets	6	45.07	45.51	425.20
(ii) Current assets				
Inventory	7	4.14	-	-
Prepaid taxes				
(i) Tax on income	8	-	-	-
(ii) Goods and services tax	9	69.46	15.81	-
(iii) Other bank balances and other financial assets	10	-	5.04	-
(iv) Other financial assets	11	0.37	55.59	-
Other current assets	12	51.09	14.52	41.50
Total Assets			229.41	521.75
II. EQUITY AND LIABILITIES				
(i) Equity				
Equity share capital	13	1.23	1.22	-
Other equity	14	(4,640.61)	(4,685.09)	(4,691.37)
(ii) Liabilities				
Current liabilities				
Financial liabilities				
(i) Bank borrowings	15	4,382.80	4,371.12	-
(ii) Trade payables	16	-	-	-
(iii) Other liabilities				
(a) Total outstanding dues of financial institutions and banks		0.14	0.11	-
(b) Total outstanding dues from other financial institutions and banks		104.99	519.75	-
(iv) Other financial liabilities	17	3.74	1.06	-
Other current liabilities	18	11.53	21.29	-
Provisions	19	17.59	20.11	3,458.45
Total Equity and Liabilities			229.41	521.75
Significant Accounting Policies	20			

The notes annexed to these financial statements form an integral part of the financial statements.

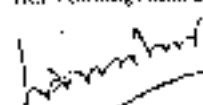
As per our report dated 14.04.2021


Chartered Accountants
Firm Name: **CA. S. S. S. & Associates LLP**
Firm Registration Number: **UWA/CA/00021**


Sd/- **S. S. S. & Associates LLP**
Partner
Membership Number: **093395**

New Delhi, June 24, 2021

As per our report dated 14.04.2021
HCL Learning Limited


Ujjay Kumar Srivastava
Director
CIN: **U68211**


Neelesh Agrawal
Director
DIN: **00144510**

New Delhi, June 24, 2021



HCL Learning Limited
Statement of profit and loss for the period ended March 31, 2023

		Year ended March 31, 2023	Year ended, March 31, 2022
	Notes	₹ Lakhs	₹ Lakhs
Income:			
Revenue from operations	20		2,41,75
Other income	21	238.89	350.98
Total Income		<u>238.89</u>	<u>372.73</u>
Expenses:			
Purchases of stock-in-trade		7.42	9.10
Change in inventories of finished goods, stock-in-trade	22	(7.92)	9.11
Other cost of sale	23	2.04	21.66
Depreciation and amortisation	24	2.50	59.11
Finance costs	25	180.44	1,551.57
Depreciation on intangible assets	26(a), 30(i)	-	1.02
Other expenses	26	112.80	171.64
Total Expenses		<u>305.72</u>	<u>1,852.50</u>
Loss before exceptional items and tax		(66.83)	169.23
Exceptional items	29	-	1,811.26
Profit/(loss) before tax		(66.83)	1,980.49
Tax expense			
(a) Current tax		-	29.21
(b) Deferred tax		-	111.19
Profit/(loss) for the year			<u>2,040.89</u>
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Currency translation reserve		-	0.80
Total comprehensive Income/(loss) for the year			<u>2,041.69</u>
Earnings per equity share:	35		
(a) Basic		(87.87)	275.17
(b) Diluted		(88.27)	275.07

Significant Accounting Policies

ii

Tax audit report is to be submitted to the tax authorities.

As per our report of March 2023 attached.

For HCL & Associated LLP

Chartered Accountants

Firm Registration No. 1062306/50-000021

Sunder Datta
Partner
Membership Number: 001230

New Delhi, India, 2023

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

Deep Kumar Sharma
Director
DIN: 05877137

Neelish Agarwal
Director
DIN: 00000000

India, June 26, 2023

PHI Learning Limited
Cash Flow Statement for the year ended March 31, 2022

	Year ended 2021-22 ₹ Lakhs	Year ended 2020-21 ₹ Lakhs
Cash Flow from Operating Activities		
Profit/loss before tax	(66.40)	14,102.10
Adjustments to:		
Depreciation and amortisation expense	-	67
Finance cost	154.14	1,207.40
Income tax paid	-	15.52
Profit/loss on disposal of fixed assets	(8.19)	4.25
Provision for doubtful debts & other receivables	13.76	1.33
Provision for other contingencies	49.85	-
Provision for other liabilities	(207.41)	(264.11)
Provision for other assets	-	(1,212.15)
Change in net fixed assets	-	355.66
Operating profit before working capital changes	116.40	1,190.40
Adjustments for changes in working capital:		
Change in trade receivables	16.15	(2,520)
Change in trade payables	4.40	1,231
Change in other receivables	18.40	61
Change in other payables	(207.41)	2,117
Change in other assets	-	(1,112)
Change in other liabilities	-	45.72
Change in cash & bank	20.40	(1,190.40)
Net cash generated from operating activities	(A)	79.28
2. Cash Flow from Investing Activities		
Interest received	20.80	-
Dividend income	1.24	-
Proceeds from sale of fixed assets	-	1,207.40
Proceeds from sale of other assets	14.40	18.60
Investment in fixed assets	-	(2,112.15)
Net cash generated from investing activities	(B)	25.71
3. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	100.00	2,112.15
Proceeds from issue of debt securities	(100.00)	(1,207.40)
Interest paid	(14.40)	(18.60)
Net cash used in financing activities	(C)	(25.71)
Net change/increase in cash and cash equivalents	(A+B-C)	79.28
Opening balance of cash and cash equivalents	14.40	1,190.40
Closing balance of cash and cash equivalents	28.80	1,269.60
Each and every cash equivalent comprises of		
Bank balance	14.40	1,190.40
Balance with other financial institutions	14.40	79.28

The cash flow statement has been prepared in accordance with the Cash Flow Statement Standard prescribed by the Institute of Cost Accountants of India.

Notes:
1. The cash flow statement has been prepared in accordance with the Cash Flow Statement Standard prescribed by the Institute of Cost Accountants of India.

This is the cash flow statement for the year ended March 31, 2022.

For & on behalf of the Director,
PHI Learning Limited
Signature of Director
Date: 22/06/2022

Signature of Director
Name: Mr. P. K. Srinivasan
Designation: Director
Date: 22/06/2022

22/06/2022, June 22, 2022

For & on behalf of the Director,
PHI Learning Limited

Signature of Director
Name: Mr. P. K. Srinivasan
Designation: Director
Date: 22/06/2022

22/06/2022, June 22, 2022

Signature of Director
Name: Mr. P. K. Srinivasan
Designation: Director
Date: 22/06/2022

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

a. Equity Share Capital	Number of Equity Shares	₹/Lacs
		Equity Share Capital
Balance as at 01.04.2019	75,279	7.53
Balance as at 31.03.2020	75,279	7.53
Balance as at 01.04.2020	75,279	7.73
Balance as at 31.03.2021	75,279	7.53

b. Other Equity		Reserves and Surplus		₹/Lacs
Particulars			Total	
	Securities Premium Reserve	Retained Earnings		
Balance as at 01.04.2019	5,997.04	(1,538.10)	(5,240.95)	
Loss for the year		(1,111.00)	(1,111.00)	
Other comprehensive income for the year		1.80	1.80	
Balance as at 31.03.2020	5,997.04	(14,626.30)	(1,628.08)	
Balance as at 01.04.2020	5,997.04	(14,626.30)	(1,628.08)	
Profit for the year		7,113.11	7,113.11	
Other comprehensive income for the year				
Balance as at 31.03.2021	5,997.04	(10,688.13)	(4,690.90)	

Reserves Premium :-

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

Retained Earnings

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

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

For BSR & Associates LLP
Chartered Accountants
Firm Registration Number - 000007W-000000

Sandeep Datta
Partner
Membership Number - 000000

New Delhi, June 24, 2021

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

Phillip Krishna Srinivasan
Director
DIN - 00000000

Hyderabad, June 24, 2021

Neelish Adhikari
Director
DIN - 00000000

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HCL Learning Limited
Notes to the Financial Statements

1. Corporate information

HCL Learning Limited ('the Company') is domiciled and incorporated in India. The registered office of the company is situated at 906, Siddharth, 96, Nehru Place, New Delhi - 110019.

The Company is primarily engaged in selling of digitised educational content & learning solutions

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

2. Significant accounting policies

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

2.1 Basis of preparation and measurement

(i) Basis of preparation

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

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

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

(ii) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the certain financial 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 these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.



2.4 Critical accounting estimates, assumptions and judgements

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

a) Property, plant and equipment

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

b) Intangibles

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

c) Income taxes

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews, at each balance sheet date, the carrying amount of deferred tax assets and amount of unrecognised deferred tax assets in view of availability of future taxable income to realise such recognised and unrecognised assets. The Company has significant business losses which are available to be set-off against the future taxable income. At each reporting date, the management evaluates whether it is reasonably certain to recognise deferred tax assets on such business losses, considering the future outlook of business. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

d) Contingencies

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

e) Allowance for uncollected accounts receivable and advances

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

f) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / a service promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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

2.5 Current versus non-current classification

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

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement. Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

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

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

2.7 Intangible assets

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

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

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

Softwares

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

Intangible Assets (other than goodwill) are amortised on straight line basis as follows:

Intellectual Property Rights	7 years
Software	1-5 years

2.8 Leases

As a lessee

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

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

As a lessor

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

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

Sale and leaseback

Sale and lease back transaction is recognised if transfer of asset satisfies the requirements of IND AS 117 to be accounted for as a sale of the asset. The company shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the company. Accordingly, the company shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer.

2.9 Financial instruments

A. Financial instruments – initial recognition and measurement

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

B. Financial assets

i. Subsequent measurement

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

Debt instrument

a. Financial assets at fair value through profit or loss

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HCL Learning Limited
Notes to the Financial Statements

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

b. Financial assets measured at amortised cost

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

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

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

Equity instruments

i. Subsequent measurement

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

ii. Derecognition

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

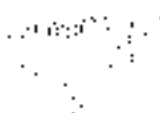
Investment in subsidiary

Investment in subsidiary is carried at cost in financial statement.

C. Financial liabilities

i. 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 non-current (or separated into current and non-current portions) consistent with the classification of the underlying item. These are classified as current, when the remaining holding period is up to twelve months after the reporting date.

F. Fair value measurement

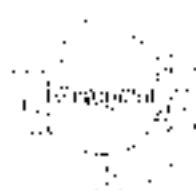
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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) market prices in the active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.10 Income tax

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



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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of a history of recent losses, the Company recognised a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets- or recognised 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 on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

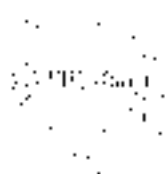
2.11 Inventories

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

Cost of stock-in-trade comprises cost of purchases. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.12 Cash and cash equivalents



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

2.13 Impairment of assets

a. Financial assets

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

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

b. Non-financial assets

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

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

Impairment test for goodwill is performed at the level of each Cash Generating Unit ("CGU") or groups of CGUs expected to benefit from acquisition related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

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

c. Investment in subsidiary

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

For and on behalf of the Company



HCL Learning Limited
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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 an impairment loss had previously been recognised.

2.14 Borrowings

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

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

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

2.15 Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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b) Contingencies

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

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

2.16 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

2.17 Revenue recognition


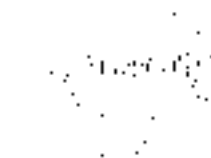
The Company derives revenues primarily from training services and educational content and related hardware offerings for private schools, colleges and other educational institutes and vocational training.

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

Revenue from services

Timing of recognition

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



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relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed price contracts is recognised on percentage of completion basis. Revenue from a period based service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Measurement of revenue

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

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

Sale of products

Timing of recognition

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

Measurement of revenue

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

Interest income

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

2.18 Employee benefits


Defined benefit plans

Gratuity

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

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

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



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Notes to the Financial Statements

statement of profit and loss.

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

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

Provident fund

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

Defined contribution plans

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

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

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

Other benefits

Compensated absences

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

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

Long term employee benefits

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

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:



HCL Learning Limited
Notes to the Financial Statements

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

(1) Diluted earnings per share

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

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

2.20 Exceptional items

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



2(a) Property, Plant and Equipment

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As at 31.03.2020	Additions	Disposal	As at 31.03.2020	Additions	Disposal	
Plant and machinery	1.46	-	-	1.46	-	-	-
Furniture and fixtures	4.04	-	-	4.04	-	-	-
Office equipment	0.21	-	-	0.01	-	-	-
Computers	17.27	-	1.29	15.25	-	1.19	-
Total	16.98	-	1.29	16.76	-	1.19	-

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 01.04.2019	Additions	Disposal	
Plant and machinery	2.21	-	0.77	4.74	-	0.77	-
Furniture and fixtures	31.41	-	31.44	0.04	1.61	0.70	-
Office equipment	16.75	-	11.04	17.12	-	0.71	-
Computers	22.20	-	7.10	23.27	0.43	7.07	-
Total	72.57	-	46.35	45.15	1.63	8.25	-



Signature

Intangible Assets

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

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 01.04.2019	Additions	Disposal	As at 31.03.2020
Software	3.73	-	1.75	-	4.28	-	1.75	-
Total	3.73	-	1.75	-	4.28	-	1.75	-

531



531

HCL Learning Limited
Notes to the financial statements

	At 31st 31.03.2023 ₹/Lacs	At 31st 31.03.2022 ₹/Lacs
4 Other non-current financial assets		
Considered Good		
Security Deposits	15.73	13.79
Balance with 12% margin money	8.30	2.16
TOTAL	24.03	15.95
5 Advance income tax asset (net of provisions)		
Advance income tax (Provision for income tax of 2 years term (₹.20 - ₹ 21.56 Lacs)	137.16	102.11
TOTAL	137.16	102.11
6 Other Non-Current Assets		
Unsecured, considered good Loans with 12% margin Considered Doubtful Capital Advance Less: Provision for Doubtful Loans and Advances	47.87 0.49 ₹.20	47.53 0.30 0.50
TOTAL	47.67	47.33
7 Inventories		
% of in-trade	2.42	-
TOTAL	2.42	-
8 Trade Receivables (refer note 28)		
Unsecured:		
- Considered good	531.02	561.35
- Credit impaired	530.95	531.31
Less: Allowance for doubtful debts	531.02	531.31
TOTAL	-	-

Sanjay

Sanjay



HCL Learning Limited
Statement of Financial Position

	As at 31.03.2022 ₹ Lacs	As at 31.03.2020 ₹ Lacs
4 Cash and cash equivalents		
Balance with banks	19.43	31.44
Term deposits	-	2.45
TOTAL	19.43	33.89
10 Other bank balances		
Balance with Banks	-	5.84
- On Margin Account	-	-
TOTAL	-	5.84
20 Other financial assets		
Considered Good		
Security deposits	-	0.50
Other current deposits (advance from vendors, expense recoverable)	-	3.51
Other receivable from related parties (Item note 9)	0.17	45.47
Considered Doubtful		
Lease receivable, recoverable, Security deposits, Insurance claim receivable - employee advances	792.55	460.52
Lease Allowance for Doubtful Debt Asset Recoverable, Security Deposits, Insurance claim receivable by employee advances	292.58	280.32
TOTAL	1085.25	746.83
30 Other current assets		
Unsecured		
Considered good		
Balance with customers, Govt. trust, estate and sales tax authorities	2.65	45.90
Advances to vendors	2.69	12.74
Prepaid expenses	41.84	0.52
Others	85.71	-
TOTAL	132.89	59.16

18/4/22

18/4/22



HCL Learning Limited
Notes to the financial statements

	As at 31.03.2023 ₹ Lakhs	As at 31.03.2022 ₹ Lakhs
12. Share Capital		
Authorized		
1,00,000 Equity Shares (₹100 = 1,00,000) of ₹ 10/- each	10000	10000
TOTAL	<u>10000</u>	<u>10000</u>
Issued, Subscribed and Paid up		
75,50,000 Equity Shares (₹100 = 75,50,000) of ₹ 10/- each (Fully Paid up)	755	755
TOTAL	<u>755</u>	<u>755</u>
Notes:		

13. Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share held. The Company does not pay a dividend i.e., Lakhs Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in their General Meeting 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 settlement of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

Shareholders holding more than 5% of the aggregate shares in the Company	Number of Shares	% of shares	Number of Shares	% of shares
HCL Infosys Ltd (entire holding company)	75,500	99.90	75,500	100.00

14. Other Equity

A. Reserve and surplus

(a) Securities premium reserve

Opening balance	5,997.52	5,997.52
Closing balance	<u>5,997.52</u>	<u>5,997.52</u>

(b) Retained earnings

Opening balance	(10,646.00)	(10,708.00)
Net profit/(loss) for the year	(61.93)	1,00.10
Other comprehensive income for the year	-	1.84
Closing balance	<u>(10,707.93)</u>	<u>(9,606.26)</u>
TOTAL	<u>(4,710.41)</u>	<u>(3,608.74)</u>

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HCL Learning Limited
Notes to the financial statements

	As at 31.03.2021 ₹Lacs	As at 31.03.2020 ₹Lacs
15. Current borrowings		
Unsecured:		
Loans repayable on demand		
From related party (director's L1)	4,882.80	4,757.14
TOTAL	<u>4,882.80</u>	<u>4,757.14</u>

Note:

Unsecured loans from HCL Industries Limited, the Holding Company amounting to ₹ 4,882.80 Lacs (2020 - ₹ 4,757.14 Lacs) is repayable on demand and secured against 60,596 Inward bills receivable.

16. Trade payables (refer Note 28)

Trade Payables

- (a) Total gross billings due of various entities and still to be agreed over 40;
(b) Total outstanding less than 40 days of terms and discounts

TOTAL

0.14
204.99
205.13

0.11
216.7
216.81

18/3/21



18/3/21

HCL Learning Limited
 referred to the financial statements

	As at 31.03.2021 £/Lakh	As at 31.03.2020 £/Lakh
17 Other financial liabilities		
Deposits	-	59.51
Employee benefits payable	3.74	14.47
Capital on loans	-	0.14
TOTAL	3.74	74.12
18 Other current liabilities		
Advance received	-	0.01
Advances received from customers	-	20.01
Statutory dues payable	35.53	5.82
TOTAL	35.53	25.84
19 Current provisions		
Provision for doubtful and other receivables (net)	-	4.96
Provision for employee benefits (net)	17.29	17.12
TOTAL	17.29	22.08

16/4/21



16/4/21

HCL Learning Limited

Notes to the financial statements

	Year ended Year ended 31.03.2021	Year ended Year ended 31.03.2020
	₹/Lacs	₹/Lacs
20 Revenue from operations		
Sale of products	-	206.94
Sale of services	-	27.04
TOTAL	-	233.98
21 Other Income		
Interest income from financial assets at amortised cost	-	-
- On lease rental	-	7.19
- On Fixed deposits	0.40	0.21
- On Current Tax Refund	201.82	-
Net profit/(loss) on sale of property, plant and equipment	0.29	-
Net profit on foreign exchange transactions	0.10	-
Provision/abolition no longer required in financials	217.12	204.74
Other Income	218.61	212.14
22 Changes in inventories of finished goods and stock-in-trade		
Cost of purchase	2.42	-
- Stock increase	2.42	-
Opening balance	-	0.12
- Stock-in-trade	-	0.12
Changes in inventories of stock-in-trade	(2.42)	0.12
23 Other direct expense		
Purchase of services	2.43	22.19
TOTAL	2.43	22.31
24 Employee benefits expense		
Salaries, wages, bonus and gratuity (refer note 3)	4.14	38.12
Contribution to provident and other funds	0.14	1.54
Staff welfare expenses	0.22	0.14
TOTAL	4.50	39.80
25 Finance costs		
Interest expense on financial liabilities at amortised cost	180.44	1,382.50
TOTAL	180.44	1,382.50

16/04/21

16/04/21



HCL Learning Limited

Notes to the financial statements

26 Other expenses

Rent (refer note 22)	11.52	1.73
Salaries and wages	55.46	28.71
Provision for depreciation	-	0.00
Communication	0.00	0.00
Travelling and conveyance	0.00	0.00
Freight, freight and forwarding	-	0.00
Legal, professional and consultancy charges (refer note 25)	20.17	81.80
Shareholding expenses	1.70	27.70
Interest	-	0.00
Other charges	-	0.00
Bank charges	0.00	0.00
A provision for direct liabilities to employees and other current assets	14.70	1.15
Depreciation and amortisation expenses	-	0.00
Net (loss)/gain on foreign exchange fluctuations (refer note 25)	-	0.00
Minorities	7.89	0.00

Amounts disclosed from holding company are following:

TOTAL

Year ended	Year ended
31.03.2021	31.03.2020
IN LACS	IN LACS
112.84	162.86
0.00	0.00
112.84	162.86

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47 a) Contingent Liabilities:

Claims against the Company not acknowledged as debts:

	₹ in lakhs	
	As at 31.03.2020	As at 31.03.2019
Wages Due*	19.58	0.05
Excess Service Tax and Penalties	-	0.05
Industrial Disputes, Civil Suits and Consumer Disputes	132.82	110.51

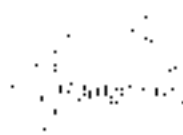
* Includes sum of ₹ 19.50 Lacs (31.03.2020) + ₹ 0.08 Lacs deposited by the Company against it is above.

The above amounts represents the best possible estimate arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal proceedings which have been initiated by the Company in the claimants as the case may be and therefore cannot be predicted for certainty and possibly for the Company to estimate the timing of cash outflows, during respect of the above, pending trial, trial of the respective proceedings.

b) Other Litigations:

The Company has certain on-exit and exit related litigation amounting to ₹ 17.49 Lacs (2020) + ₹ 15.35 lacs against, which provision has been made. No provision (2020) + ₹ 0.00 lacs was provided during the year. Provision amounting to ₹ 0.00 Lacs (2020 + Nil) was utilized during the year.







28 Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Education Private Limited

b) Holding Company:

HCL Infosystems Limited

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

Subsidiary:

HCL Insys Pte. Limited, Singapore, ceased to be Subsidiary with effect from November 13, 2023

Fellow subsidiaries:

HCL Infotech Limited

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

HCL Connect Systems and Services Limited

HCL Training & Staffing Services Pvt Ltd.

HCL Talent Care Pvt. Limited

Key Management Personnel:

Ms. Komal Bathla- Company Secretary * (Ms. Komal Bathla resigned from the position of Company Secretary of the Company w.e.f. 5th February, 2022)

* Remuneration has been paid by HCL Infosystems Limited

18/2/24

2024



Summary of Related Party Transactions
 Group Company (continued) - Notes to the financial statements of HCL Learning Limited

Particulars	During the year		Period ended 31st Dec		2018		Total	
	Amount	Rs. Lakhs	Amount	Rs. Lakhs	Amount	Rs. Lakhs	Amount	Rs. Lakhs
Interest and Advances Refunded/Deposited (Net)								
- 2017/2018 (Rs. Lakhs)								
Interest and Advances Taken (Net)								
- 2017/2018 (Rs. Lakhs)								
Interest on Finance Cost/Income (Net) (Rs. Lakhs)								
- 2017/2018 (Rs. Lakhs)								
Reimbursement of Expenses/Recovery (Net)								
- 2017/2018 (Rs. Lakhs)								
Other Amounts Received from related parties								
- 2017/2018 (Rs. Lakhs)								
Other Amounts Paid to related parties								
- 2017/2018 (Rs. Lakhs)								
Net Payables								
Net Receivables								

* Amounts are in Lakhs unless otherwise specified in the notes.

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Financial Instruments and Risk Management
29 Fair Value Measurements

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

							<i>Notes</i>
Particulars	Year	At cost	Fair Value (If Significant)	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets							
Non-current assets							
(i) Other financial assets	4	-	-	-	22.10	22.10	22.10
		-	-	-	(15.80)	(15.80)	(15.80)
		-	-	-	22.10	22.10	22.10
		-	-	-	(15.80)	(15.80)	(15.80)
Current assets							
(i) Trade receivables	4	-	-	-	-	-	-
		-	-	-	-	-	-
(ii) Cash and cash equivalents	4	-	-	-	64.40	64.40	64.40
		-	-	-	(15.80)	(15.80)	(15.80)
(iii) Bank balances other than SIP fund	10	-	-	-	-	-	-
		-	-	-	(5.84)	(5.84)	(5.84)
(iv) Other financial assets	11	-	-	-	0.17	0.17	0.17
		-	-	-	(55.57)	(55.57)	(55.57)
		-	-	-	69.37	69.37	69.37
		-	-	-	(97.30)	(97.30)	(97.30)
Financial Liabilities							
Current liabilities							
(i) Short Term Debt borrowings	10	-	-	-	4,894.80	4,894.80	4,894.80
		-	-	-	(4,779.32)	(4,779.32)	(4,779.32)
(ii) Trade payables	10	-	-	-	105.13	105.13	105.13
		-	-	-	(15,126)	(15,126)	(15,126)
(iii) Other financial liabilities	17	-	-	-	3.74	3.74	3.74
		-	-	-	(1,128)	(1,128)	(1,128)
		-	-	-	4,998.67	4,998.67	4,998.67
		-	-	-	(5,105.69)	(5,105.69)	(5,105.69)

Note: There is no significant increase

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3.0 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 various risks which the entity is exposed to and how the entity manages the risk.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Trade receivables, Trade Payable Receivable Cash and cash equivalents Bank Balances Other financial assets	Ageing Analysis and Credit rating	Diversification of bank deposits, investments, credit lines and letters of credit
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing net net and liquid investments
Market risk - foreign exchange	Foreign commercial transactions Recognized financial assets, not denominated in Indian rupee (INR)	Position of net foreign exchange risk, based on relative assets and liabilities	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Replacement of high cost debt with low cost debt

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



Credit Risk

Credit risk arises 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 Bank balances is not significant as it mainly includes balances with Bank with high credit ratings assigned by international and domestic credit rating agencies.

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

Following table provides age wise breakup of receivables

	As at 31.03.2024	As at 31.03.2023
Not Due	-	-
Up to 30 days past due	-	-
31 to 60 days past due	-	-
61 to 90 days past due	-	-
91 to 120 days past due	-	-
More than 120 days past due	630.05	151.91
	<u>630.05</u>	<u>151.91</u>

Financial assets are written off when there is no reasonable expectation of recovery, such as when failing to engage in a repayment plan with the Company. The Company recognises a trade receivable for write off when a debtor fails to make contractual payment for greater than 3 years past due. Where financial receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where assets are trade, these are recognised in profit or loss.

The summary of life time allowance made on customer default is given below

	As at 31.03.2024	As at 31.03.2023
Balance at the beginning	630.30	151.98
Provided during the year	-	-
Reversed during the year	(7.26)	(123.00)
Amounts written off	-	122.00
Balance at the end	<u>623.05</u>	<u>150.98</u>

Weighted Average loss rate is 0.05 (2023: 100%)

14/4/24

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle its debt by liquidation or failure at a reasonable price. The primary responsibility of the holding company is to ensure adequate liquidity, financing as well as self-generated income. In addition, measures are taken relating to such matters concerning future management. It is anticipated that the Company's liquidity position through its operations on the basis of expected cash flows.

The table below summarizes the liquidity profile of the Company's external liabilities (based on commitment and assumed profitability) as at 31.03.2021

	Carrying Value	On demand	Up to one year	1 to 2 Years	2 to 3 Years	More than 3 Years
Non-current liabilities						
Reserves						
- Equity Related Party	2,882.80	1,882.80	-	-	-	-
	15,770.12	15,770.12	-	-	-	-
Trade payables	105.11	-	105.11	-	-	-
	7,114.94	-	7,114.94	-	-	-
Governmental liabilities						
- Deposits	-	-	-	-	-	-
	162.51	-	162.51	-	-	-
- Capitalised costs	-	-	-	-	-	-
	10.15	-	10.15	-	-	-
- On payable for the period	5.74	-	5.74	-	-	-
	114.45	-	114.45	-	-	-
Total non-current liabilities	2,011.60	2,011.60	688.81	-	-	-
	15,884.67	15,780.72	7,918.29	-	-	-

Amounts in year figures are in lakhs



Market risk

(i) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable interest rates, which expose the Company to cash flow interest rate risk. As at 31.03.2021 the Company has ₹ 4,882.80 Lacs (2020: ₹ 4,770.13 Lacs) of borrowings at these variable interest rates. To better to optimize the Company's position with regards to interest expenses and to manage its interest rate risk, it hereby polices a comprehensive swap program interest rate risk management by balancing of fixed rate and floating rate financial instruments in its total portfolio.

(ii) Interest rate risk exposure

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

	As at 31.03.2021	As at 31.03.2020
Total borrowings	4,882.80	4,770.13
Total borrowings	4,882.80	4,770.13

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

	As at 31.03.2021			As at 31.03.2020		
	Weighted average interest rate	Balance	% of total borrowings	Weighted average interest rate	Balance	% of total borrowings
Bank overdraft and others	3.25%	4,882.80	100.00%	5.54%	4,770.13	100.00%
Net exposure to cash flow interest rate risk		4,882.80			4,770.13	

(iii) Sensitivity

Profit or loss is sensitive to higher / lower interest expense due to changes in interest rates.

	Impact on profit after tax		Impact on other components of equity	
	Year ended 31.03.2021	Year ended 31.03.2020	As at 31.03.2021	As at 31.03.2020
Interest income - increase by 1% in loan portfolio	(3.27)	(1.58)	13.35%	12.54%
Interest cost - decrease by 1% in loan portfolio	3.27	1.58	3.27	1.58

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Date: 31.03.2021



HCL Learning Limited
Notes to the Financial Statements

Foreign currency risk

The Company's primary operations are in India and therefore is not exposed to significant foreign currency risk. The Company does not hedge 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. The foreign exchange forward contracts to hedge exposure to foreign currency risk are:

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:

	USD
Financial Liabilities	
Trade Payables	4.38
	(15.46)
	4.38
Net exposure to foreign currency risk (Liabilities)	(11.08)

Note: Percentage figures are in brackets.

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

31 Capital Management

Risk Management

The Company's objective when managing capital is to safeguard their ability to continue to going concern in that they can meet the ability to provide returns to 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 were as follows:

	As at 31.03.2021	As at 31.03.2020
Total Debt	4,882.80	4,700.2
Equity	(4,085,698)	(4,641.52)
Capital and net debt	797.12	(15.32)
Debt to equity ratio	2444.82%	1200.44%

The Holding Company i.e. HCL Infosystems Limited, has subscribed the 99.99% of the share capital of the Company and also the Company has taken interest loan from Holding Company itself.

Debt to Equity Company is not subject to any externally imposed financial requirements for the year ended 31.03.2021 and 31.03.2020.

32 Reimbursement to Auditor*

	Year ended 31.03.2021	Year ended 31.03.2020
Statutory audit	3.00	2.50
Tax audit fee/certification	1.67	1.50
Out of pocket expenses	-	1.00
TOTAL	4.67	5.00

*excluding GST (as applicable)

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55 Taxation:

(a) Provision for taxation has been computed by applying the Income Tax Act, 1961, and all its related tax regulations in the jurisdiction where the Company operates the business in the profit for the year. Deferred tax assets and deferred tax liabilities are calculated on 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) **Provision for:**

Major components of deferred tax assets and liability and timing difference relating with their movement as at 31.03.2023 are:

	As at 31.03.2023	Movement during the year	As at 31.03.2022
Deferred Tax Assets			
Minimum Alternate Tax (MAT)	-	-	-
Total	-	-	-
Deferred Tax Liabilities	-	-	-

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

(c) **Income Tax Expense:**

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-deductible and non-allowable items. It also explains significant estimates made in relation to the Company's tax positions.

	Year ended 31.03.2023	Year ended 31.03.2022
(i) Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-
Benefit in MAT credit	-	20.9
(Decrease) in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	20.9
Income tax expense	-	20.9

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

	Year ended 31.03.2023	Year ended 31.03.2022
Profit/(loss) before income tax expense	(61.93)	134.11
Tax at the Indian tax rate of 30.00% (2022: 31.20%)	(19.32)	46.01
Tax effect of amounts or charges not deductible/(allowable) in calculating taxable income	-	125.10
Decrease/(Increase) in MAT credit	-	29.21
Adjustment at account of brought forward losses	19.32	125.29
Income tax expense	-	21.2

	As at 31.03.2023	As at 31.03.2022
Tax losses		
Unutilised tax losses for which no deferred tax assets have been recognized	9,207.06	9,130.29
Deferred tax benefit (As at 31.03.2023: 31.20%)	2,872.60	2,836.28

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

Inquiry Date	As at 31.03.2021	As at 31.03.2020
31.3.2022	157.14	157.14
31.3.2023	1,196.34	1,154.11
31.3.2024	1,155.31	1,155.31
31.3.2025	248.69	248.69
31.3.2026	2,243.65	2,243.65
31.3.2027	181.51	-
31.3.2028	1,100.51	1,100.51
Total	9,207.06	9,130.29



14 Leases:

a) Finance Leases:

As Lessee:

On 1st July 2019, the group has entered into a lease agreement with the company and other equipments etc. These leased from a group company which is fixed and non-cancelable. There are no significant leasehold improvements in the leased equipment.

On 1st July 2020, the leased in the year is given in financial year 2019-2021 and 2020-21 which is as follows:

	₹/Lacs		
	Net minimum lease receivable	Interest included in minimum lease receivable	Present value of minimum lease receivable
Not later than one year			
As at 01 July 2019	191.03	112.71	250.35
As at 01 July 2020	199.03	112.71	258.24
Later than one year and not later than five years			
As at 01 July 2019	-	-	-
As at 01 July 2020	-	-	-
Total			
As at 01 July 2019	191.03	112.71	250.35
As at 01 July 2020	199.03	112.71	258.24

Note: Financial results figures are given in brackets. Financial lease was in the period 12 months year.

b) Cancelable Operating Leases:

As Lessee:

On 1st July 2019, the group has entered into a lease agreement with the company and other equipments etc. These leased from a group company which is fixed and non-cancelable. There are no significant leasehold improvements in the leased equipment.

On 1st July 2020, the leased in the year is given in financial year 2019-2021 and 2020-21 which is as follows:

As Lessee:

The group has entered into a lease agreement with the company and other equipments etc. These leased from a group company which is fixed and non-cancelable. There are no significant leasehold improvements in the leased equipment.

	₹/Lacs	
	As at 31.03.2020	As at 31.03.2021
Group Block	1.14	1.14
Accumulated Depreciation	1.14	1.14
Net Block	-	-
Depreciation expense	-	-

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Stamp: HCL Learning Limited, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000



35 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The loss considered in ascertaining the Company's EPS represents 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 31-03-2020	Year ended 31-03-2019
Profit/(Loss) after tax ₹/crore	(61.93)	112.15
Weighted average number of shares considered as outstanding in computation of basic EPS	75,274	75,274
Weighted average number of shares outstanding in computation of Diluted EPS	75,274	75,274
Basic EPS (of ₹/share)	(0.82)	1.49
Diluted EPS (of ₹/share)	(0.82)	1.49
There are no dilutive equity shares as at year end		

36 Segment Reporting

The Company's business falls within a single primary business and geographical segment, i.e. learning business which includes training services and educational content and related hardware offerings for K-12 schools, colleges and other education institutes and vocational training. Accordingly, pursuant to Indian Accounting Standard 108, on Operating Segments, segment information is not required to be disclosed.

(Signature)

(Signature)



85. The Company has accounted the defined benefit plan as follows: (a) as defined:

(i) Defined Contribution

During 2020, the Company has recognised the following amounts in the Statement of Profit and Loss:

	₹/Lacs	
	Year ended 31.03.2021	Year ended 31.03.2020
(i) Employees contribution to Employees State Insurance*	0.00	0.05
(ii) Employees contribution to Employees Provident Scheme 1952*	0.08	0.31

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Note 85(a))

(ii) Defined benefit

(a) Liability

(i) Provident Fund

As a part of the ongoing rationalisation of the business, the learning business is being rationalised. As a result, no active employees are left as at March 31, 2021. Therefore no actuarial valuation was carried out in the respect of the managed defined benefit plan based on accordance with Ind AS 19. However, this provision for the coming financial period is mentioned below:

	Gratuity	
	March 31, 2021	March 31, 2020
Estimated liability (present value)	-	5.66%
Rate of increase in replacement levels	-	5.66%
Rate of return on plan assets	-	-
Expected return on investments	-	-
Expected return on investments	-	-
Expected average annual rate of return on investments	-	-

Description of Risk Exposures:

Value, long and short duration assumptions, which are dynamic in nature and long term. Since each company is exposed to various risks as follows:

(a) Salary Increase: Actual salary increase will increase the plan's liability. The cost of salary increase rate assumption in future valuations will also increase the liability.

(b) Investment Risk: If plan is funded then assets liability. This risk is due to the interest rate assumption. If the discount rate assumption at the valuation date can increase the liability.

(c) Investment Risk: Return on investments can increase the plan's liability.

(d) Mortality & disability: Actual deaths & disability rates proving lower or higher than assumed in the valuation can impact the liability.

(e) Withdrawals: Actual withdrawals proving higher or lower than assumed with awards and change of withdrawal interest rate assumption can impact plan's liability.

	₹/Lacs	
	Year ended 31.03.2021	Year ended 31.03.2020
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Present value of obligation at the beginning of the year	1.48	0.00
Amplified (Adjusted)	-	-
Current service cost	-	0.05
Interest cost	-	0.08
Total amount recognised in profit or loss	-	0.13
Actuarial (gain)/loss from change in demographic assumptions	-	(0.02)
Actuarial (gain)/loss from change in financial assumptions	-	(0.05)
Deposited (paid)/loss	-	(0.00)
Total amount recognised in other comprehensive income	-	(0.07)
Actuarial (gain)/loss	(0.40)	(0.02)
Present value of obligation at the end of the year	-	0

Cost recognised for the year:

	Year ended 31.03.2021	Year ended 31.03.2020
Current service cost	-	0.05
Post service cost	-	-
Interest cost	-	0.08
Actuarial (gain)/loss	-	(0.07)
Net cost recognised for the year	-	0.06

* Included in Salaries, Wages, Bonus and Gratuity for benefits and Contribution to Provident and Other Funds for Provident Fund under Employee benefits expense (Note 85(a)) and in general (general) administrative expenses.

Sd/-
[Signature]



Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets	₹ Lakhs	
	March 2023	31.03.2022
Present value of the obligation as at the end of the year	-	1.43
Present value of plan assets at the end of the year	-	-
Assets (Liabilities) reported in the Balance Sheet	-	1.11
Expected return on plan liabilities	-	0.95
Expected administrative expenses	-	-

As a member of certain eligible employees, the Company is a participant in a defined benefit plan which is administered through a multi-employer trust. The participants have an obligation to make good any deficiency in the contribution paid in the year in the month of the following year by a corresponding deposit in a defined benefit plan. The trust has assessed a actuarial valuation of the 'Provident Fund Scheme' as at the Balance Sheet date and as per valuation report, the scheme is valued as on March 31, 2023. The valuation report employed events in the stock market movement of the fund as 'Risks as Benefits' for the next accounting period. However, the valuation report was not used in the valuation of the stock market for providing fund liability as required by Ind AS. The 'Employee Benefits' has not been made in these financial statements. The Company's contribution to provident fund for the year 2022 has been ₹ 0.94 Lakhs, which has been included under Current Liabilities Payable and Other Payables (Note 15(a)).

38. As per provisions of Section 130 of the Companies Act, 2013, the Company are required to have an internal audit report of the proceeding three financial years towards Corporate Social Responsibility ("CSR"). The Company was not required to specify details in CSR Activities during the year 2022. Section 130 of the Companies Act, 2013 is a mandatory provision for the CSR, there have been no changes.

39. The Board of Directors of Holding Company i.e. HCL Technologies Limited, in its meeting held on August 04, 2022, approved the transfer of HCL Learning Limited and HCL Digital Services and Marketing Services (HCL DMS) wholly owned subsidiaries of the Holding Company, with 100% ownership interest. The proposed merger is for the purpose of simplifying the group structure. As part of the merger, the intellectual property of the business, the Learning Services and the digital services are being transferred as a single separate entities for these businesses of HCL Learning, owned by Learning Services and DMS for digital services business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal (NCLT) in New Delhi Bench on 21 September 2022 for sanction of the transfer of NCLT for the proposed merger.

Since, the dividend scheme is in the Company's period for a continuous 36 months in which it is required to be implemented, the remaining portion of the dividend scheme has not been completed in these financial statements.

40. HCL Learning Limited (the Company) had entered into an agreement with HCLT Software Limited in November 2022 in connection to the acquisition of HCL Tech. In the year the transfer of the existing business and the subsidiary HCL Tech to HCLT Software Pvt Ltd (subsidiary of HCL Tech) Limited. As a result of the acquisition of HCL Tech, the Company was merged on November 2022.

For the details on development in past six financial years, the Company had received a report of the auditor which was disclosed as per provisions in Statement of Profit and Loss account.

41. Disclosure of Share and Staff Enterprises based on information available with the Company:

	₹ Lakhs	
	As at March 2023	As at March 2022
(a) Present value of the liability reported to the supplier as at the end of the year	0.04	0.01
(b) Expected return on the share amount	0.02	0.00
(c) Expected return on the liability reported to the supplier as at the end of the year	-	-
(d) Amount of the liability reported to the supplier as at the end of the year	0.06	0.01
(e) Amount of the liability reported to the supplier as at the end of the year	-	-
(f) Amount of the liability reported to the supplier as at the end of the year	-	-
(g) Amount of the liability reported to the supplier as at the end of the year	-	-

15/03/23

15/03/23



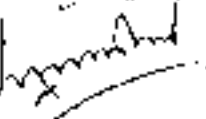
HCL Learning Limited
Notes to the Financial Statements

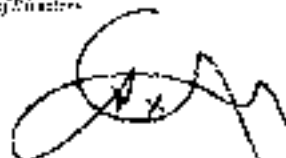
41. As at March 31, 2021, the Company has accumulated losses and its net worth has been fully eroded and the Company's assets or liabilities exceeded its current assets by ₹ 2,69,41,44,129 (2020: ₹ 5,54,73,35,100). The Company is at present pursuing strategies which include merger of company's operations with the Holding Company and will use all its resources financial support to its operations. The Board of Directors of HCL Technology Limited (hereinafter referred to as "HCL Tech") has obtained the approval from a significant promoter association, has made a support letter to the Company. Considering the above support, the Company's management and Board of Directors are of the view that the Company will be able to recover its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the financial statements have been prepared on a going concern basis.
42. Management believes that it has taken into account all the possible impacts of known uncertainties arising from COVID-19 pandemic in the preparation of these financial results. In estimating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has reviewed the impact of this business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other assets etc. However, the impact assessment of COVID-19 is a continuous 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 in future economic conditions and any significant impact of these changes would be recognized in the financial statements and where there are material changes in economic conditions also.

For HCL & Associates LLP
 Chartered Accountants
 Firm Registration Number: 1106276/200-meruz


 Sandeep Kumar
 Partner
 Membership Number: 163330

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


 Dilip Kumar 9605050199
 Director
 DIN: 06847147


 Neelish Agrawal
 Director
 DIN: 00024056

New Delhi, June 24, 2021

India, June 24, 2021



	Notes	As at 30.06.2021 ₹ Lacs	As at 31.03.2021 ₹ Lacs
I. ASSETS			
(1) Non-current assets			
Property, plant and equipment	3(a)	-	-
Intangible assets	3(b)	-	-
Financial assets			
(i) Other financial assets	4	22.20	22.16
Advance income tax (net)	5	604.16	137.16
Other non-current assets	6	47.05	47.07
		<u>673.41</u>	<u>506.39</u>
(2) Current assets			
Expenditure	7	2.41	2.42
Financial assets			
(i) Trade receivables	8	-	-
(ii) Cash and cash equivalents	9	15.30	59.14
(iii) Other bank balances other than (ii) above	10	-	-
(iv) Other financial assets	11	0.07	0.37
Other current assets	12	44.11	61.89
		<u>61.88</u>	<u>123.82</u>
Total Assets		<u>735.29</u>	<u>630.21</u>
II. EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	13	7.41	7.61
Other equity	14	(4,792.23)	(4,801.61)
		<u>(4,784.82)</u>	<u>(4,794.00)</u>
(2) Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	-	-
(ii) Other financial liabilities	16	-	-
Provisions	17	-	-
Current liabilities			
Financial liabilities			
(i) Borrowings	18	4,804.54	4,800.80
(ii) Trade payables	16	-	-
(a) Total outstanding dues of creditors for goods and services		-	0.14
(b) Total outstanding dues other than from creditors and small enterprises		0.01	0.05
(iii) Other financial liabilities	19	8.74	1.70
Other current liabilities	20	4.77	1.38
Provisions	21	17.28	19.20
		<u>4,835.34</u>	<u>4,823.97</u>
Total Equity and Liabilities		<u>735.29</u>	<u>630.21</u>

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

Nitesh Kumar Selvaraj
Director
DIN - 06847137

New Delhi, September 07, 2021

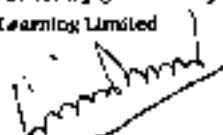


HCL Learning Limited
(Unaudited Statement of Profit and Loss for the period ended June 30, 2021 (Provisional))

		Period ended 30.06.2021	Year ended 31.03.2021
	Notes	₹/Lacs	₹/Lacs
Income :			
Revenue from operations	20	-	-
Other income	21	5.43	218.51
Total Income		5.43	218.51
Expenses :			
Purchases of stock-in-trade		-	2.12
Changes in inventories of finished goods, stock-in-trade	22	-	(2.43)
Other direct expense	23	-	2.34
Employee benefits expense	24	-	4.90
Finance costs	25	46.60	100.46
Depreciation and amortisation expense	26	-	-
Other expenses	27	5.93	12.59
Total Expenses		55.53	120.51
Tax before recognition of items and tax		(47.14)	(61.93)
Exceptional items	40	-	-
Profit/(Loss) before tax		(47.14)	(61.93)
Income tax expense:			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Profit/(Loss) for the period		(47.14)	(61.93)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Gain/(Loss) on remeasurement of defined benefit plan		-	-
Total comprehensive income/(loss) for the year		(47.14)	(61.93)
Earning per equity share:	28		
(i) Basic		(62.62)	(81.27)
(ii) Diluted		(62.62)	(81.27)

For and on behalf of the Board of Directors

HCL Learning Limited


Dilip Kumar Srivastava
Director
DIN: 06847137



New Delhi, September 27, 2021



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

Corporate Office: E-4, Sector-11, Noida-201 201, U.P., India
Tel: +91 120 2520977, 2520519, 2520519 Fax: +91 120 2520291
Registered Office: 805 Siddhanti, 85, Nehru Place, New Delhi-110019, India
Corporate Identity Number : U72900DL2003PLC175803
www.hclinfosystems.com

Certified true copy of the resolutions passed by the Board of Directors of the Company in their meeting held through Video Conferencing on 5th August, 2020.

Consideration and approval of the Scheme of Amalgamation between HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) with HCL Infosystems Limited through a scheme of amalgamation under section 230 to 232 and other applicable provisions of Companies Act, 2013

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, applicable provisions of Securities and Exchange Board of India Act, 1992 read with of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications, amendments, related circulars, re-enactments thereof for the time being in force, the NCLT Rules, the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the shareholders and Creditors of the Company, the Registrar of Company, the Regional Director, Official Liquidator, the jurisdictional National Company Law Tribunal, Delhi Bench ("NCLT" or "the Tribunal") or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft Scheme of Amalgamation envisaging the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) with HCL Infosystems Limited and their respective Shareholders and Creditors ("**the Scheme**") on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the appointed date, as placed before the Board, be and is hereby approved by the Board of Directors of the Company ("**the Board**")."

"RESOLVED FURTHER THAT the draft Scheme of Amalgamation as tabled herewith and duly initiated for the sake of identification, be adopted, approved and taken on record"

"RESOLVED FURTHER THAT HCL Learning Limited and DDMS are wholly owned subsidiaries of HCL Infosystems Limited. No shares are required to be issued as consideration as part of the Scheme. Accordingly, there is no requirement of a valuation report or share exchange ratio."

"RESOLVED FURTHER THAT Mr. Pawan Kumar Danwar, Director, Mr. Kapil Kapur, Mr. Alok Sahu, Mr. Sushil Kumar Jain, and Ms. Gunjan Khanna (officials of the company) be and are severally authorized to make the required alterations and finalize the Scheme."

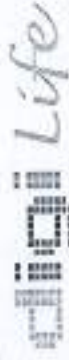


Signature
20/08/20

"RESOLVED FURTHER THAT Mr. Pawan Kumar Danwar, Director, Mr. Kapil Kapur, Mr. Alok Sahu, Mr. Sushil Kumar Jain, and Ms. Gunjan Khanna (officials of the company) be and are severally authorized on behalf of the Company to make the required alterations and finalize the Scheme and to take all necessary steps to give effect to the Scheme of Amalgamation and to do all such acts, deeds, matters and things including but not limited to:

- a) appoint advocate(s) in order to represent the Company before the Registrar of Companies, Regional Director, Official Liquidator, NCLT and/or such other authorities and to file the necessary applications, petitions, affidavits, for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc. that may be passed by the Regional Director, Official Liquidator or NCLT or SEBI or the Stock exchanges and/or such other authorities / courts and all such other documents as may be required for and on behalf of the Company.
- b) verify, sign, affirm, , execute and , acknowledge all deeds, declarations, instruments, affidavits, applications, petitions, vakalats, objections, consents, notices and writings whatsoever as may be necessary in relation to the implementation of the Scheme.
- c) make such alterations, modifications or amendments in all the applications, petitions and other documents as may be required for complying with the requirements or conditions as may be imposed by the Regional Director, Official Liquidator or NCLT and/or any other appropriate authorities and to prepare and execute applications, petitions.
- d) appoint solicitors, advocates, accountants and other expert advisors for implementation of the scheme of amalgamation;
- e) withdraw the Scheme at any stage in case any changes and/or modifications suggested/ required to be made in the Scheme or any condition imposed, whether by any shareholder, creditors, NCLT, Courts and /or any other regulatory authority, are in their view not in the interest of the Company, and / or if the Scheme cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto
- f) do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any questions or doubts or difficulty whatsoever that may arise, for the purpose of giving effect to the Scheme.
- g) Obtaining consent of shareholders and creditors of the Company for the said Scheme along with the consent to dispense the holding of their meeting;





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

Corporate Office: E-4, Sector-11, Noida 201 301, U.P., India
Tel: +91 120 2520977, 2520518, 2520519 Fax: +91 120 2523791
Registered Office: 806 Siddhant, 96, Nehru Place, New Delhi-110019, India
Corporate Identity Number : U73600DL2008PLC176606
www.digilifeinfosystems.com

- h) Conducting the meetings of the shareholders and/ or the creditors, signing and sending the notices and carry all such other activities in relation to the meeting, if the Tribunal does not dispense with the meetings
- i) produce all documents, matters or other evidence in connection with the matters aforesaid on all and any of other proceedings incidental thereto or arising thereat.
- j) make, prepare any applications, petitions, appeals, judges summons, notices, before any court, tribunal or authorities.
- k) file, submit with the Registrar of Companies, Regional Director, Official Liquidator , NCLT and/or other statutory/regulatory authorities any forms, documents, affidavits through electronic media or any other computer readable media or manually to follow up the same.
- l) do all such acts, deeds and things, as may be necessary and incidental thereto and to sub-delegate the powers conferred vide this resolution to any persons as may be necessary
- m) To give no objection certificates on behalf of the Company in relation to the Scheme."

"RESOLVED FURTHER THAT the Scheme of Amalgamation be filed with the relevant regulatory authorities including the NCLT or any other appropriate authority for their approval and sanction of the Scheme of Amalgamation."

"RESOLVED FURTHER THAT a certified true copy of above resolution be forwarded wherever required, under the signature of any Director or Company Secretary of the Company".

Certified to be true

For Digilife Distribution and Marketing Services Limited



Gunjan Khanna
Gunjan Khanna

Designation: Company Secretary

DIN: A 37245

Address: D-3/10, Sector 16, Rohini - 110089

Certified true copy of the resolution passed by the board of directors of HCL Learning Limited in the board meeting held through video conferencing on 5th August, 2020

Consideration and approval for the Scheme of Amalgamation envisaging the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) with HCL Infosystems Limited through a scheme of amalgamation under section 230 to 232 and other applicable provisions of Companies Act, 2013

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, applicable provisions of Securities and Exchange Board of India Act, 1992 read with of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications, amendments, related circulars, re-enactments thereof for the time being in force, the NCLT Rules, the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the shareholders and Creditors of the Company, the Registrar of Company, the Regional Director, Official Liquidator, the jurisdictional National Company Law Tribunal, Delhi Bench ("**NCLT**" or "**the Tribunal**") or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft Scheme of Amalgamation envisaging the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) with HCL Infosystems Limited and their respective Shareholders and Creditors ("**the Scheme**") on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the appointed date, as placed before the Board, be and is hereby approved by the Board of Directors of the Company ("**the Board**")."

"RESOLVED FURTHER THAT the draft Scheme of Amalgamation as tabled herewith and duly initialled for the sake of identification, be adopted, approved and taken on record"

"RESOLVED FURTHER THAT HCL Learning Limited and DDMS are wholly owned subsidiaries of HCL Infosystems Limited. No shares are required to be issued as consideration as part of the Scheme. Accordingly, there is no requirement of a valuation report or share exchange ratio."

"RESOLVED FURTHER THAT Mr. Dilip Kumar Srivastava, Director, Mr. Kapil Kapur, Mr. Abh Sahu, Mr. Sushil Kumar Jain and Ms. Komal Bathla (officials of the company) be and are severally authorized to make the required alterations and finalize the Scheme."

"RESOLVED FURTHER THAT Mr. Dilip Kumar Srivastava, Director, Mr. Kapil Kapur, Mr. Abh Sahu, Mr. Sushil Kumar Jain and Ms. Komal Bathla (officials of the Company) be and are hereby severally authorized on behalf of the Company to take all necessary steps to give effect to the Scheme of Amalgamation and to do all such acts, deeds, matters and things including but not limited to:

Komal



- a) appoint advocate(s) in order to represent the Company before the Registrar of Companies, Regional Director, Official Liquidator, NCLT and/or such other authorities and to file the necessary applications, petitions, affidavits, for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc. that may be passed by the Regional Director, Official Liquidator or NCLT or SEBI or the Stock exchanges and/or such other authorities / courts and all such other documents as may be required for and on behalf of the Company.
- b) verify, sign, affirm, execute and acknowledge all deeds, declarations, instruments, affidavits, applications, petitions, vakalats, objections, consents, notices and writings whatsoever as may be necessary in relation to the implementation of the Scheme.
- c) make such alterations, modifications or amendments in all the applications, petitions and other documents as may be required for complying with the requirements or conditions as may be imposed by the Regional Director, Official Liquidator or NCLT and/or any other appropriate authorities and to prepare and execute applications, petitions.
- d) appoint solicitors, advocates, accountants and other expert advisors for implementation of the scheme of amalgamation;
- e) withdraw the Scheme at any stage in case any changes and/or modifications suggested/required to be made in the Scheme or any condition imposed, whether by any shareholder, creditors, NCLT, Courts and /or any other regulatory authority, are in their view not in the interest of the Company, and / or if the Scheme cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto
- f) do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any questions or doubts or difficulty whatsoever that may arise, for the purpose of giving effect to the Scheme.
- g) Obtaining consent of shareholders and creditors of the Company for the said Scheme along with the consent to dispense the holding of their meeting;
- h) Conducting the meetings of the shareholders and/ or the creditors, signing and sending the notices and carry all such other activities in relation to the meeting, if the Tribunal does not dispense with the meetings
- i) produce all documents, matters or other evidence in connection with the matters aforesaid on all and any of other proceedings incidental thereto or arising thereat.
- j) make, prepare any applications, petitions, appeals, judges summons, notices, before any court, tribunal or authorities.

Cancel



- k) file, submit with the Registrar of Companies, Regional Director, Official Liquidator, NCLT and/or other statutory/regulatory authorities any forms, documents, affidavits through electronic media or any other computer readable media or manually to follow up the same.
- l) do all such acts, deeds and things, as may be necessary and incidental thereto and to sub-delegate the powers conferred vide this resolution to any persons as may be necessary
- m) To give no objection certificates on behalf of the Company in relation to the Scheme."

"RESOLVED FURTHER THAT the Scheme of Amalgamation be filed with the relevant regulatory authorities including the NCLT or any other appropriate authority for their approval and sanction of the Scheme of Amalgamation."

"RESOLVED FURTHER THAT a certified true copy of above resolution be forwarded wherever required, under the signature of any Director or Company Secretary of the Company

**Certified to be true
For HCL Learning Limited**



Komal Bathla

Designation: Company Secretary

Membership No. A41455

Address: 49/6 Lal Quarters, Lohla Nagar
Ghaziabad, U.P.

HCL INFOSYSTEMS LTD.

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

Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791

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

Corporate Identity Number - L72200DL1986PLC023955

www.hclinfosystems.in

www.hcl.com

Certified true copy of the Resolution passed by the Board of Directors of HCL Infosystems Limited in the Board Meeting held on 6th August, 2020

Consideration and approval for the Scheme of Amalgamation envisaging the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) with HCL Infosystems Limited through a scheme of amalgamation under section 230 to 232 and other applicable provisions of Companies Act, 2013

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, applicable provisions of Securities and Exchange Board of India Act, 1992 read with of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications, amendments, related circulars, re-enactments thereof for the time being in force, the NCLT Rules, the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the shareholders and Creditors of the Company, the Registrar of Company, the Regional Director, Official Liquidator, the jurisdictional National Company Law Tribunal, Delhi Bench ("**NCLT**" or "**the Tribunal**") or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft Scheme of Amalgamation envisaging the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS) with HCL Infosystems Limited and their respective Shareholders and Creditors ("**the Scheme**") on a going concern basis with effect from 01.04.2020 (First Day of April, Two Thousand and Twenty) being the appointed date, as placed before the Board, be and is hereby approved by the Board of Directors of the Company ("**the Board**")."

"RESOLVED FURTHER THAT the draft Scheme of Amalgamation as tabled herewith and duly initialled for the sake of identification, be adopted, approved and taken on record"

"RESOLVED FURTHER THAT HCL Learning Limited and DDMS are wholly owned subsidiaries of HCL Infosystems. No shares are required to be issued as consideration as part of the Scheme. Accordingly, there is no requirement of a valuation report or share exchange ratio."

"RESOLVED FURTHER THAT Mr. Pawan Kumar Danwar, Director, Mr. Kapil Kapur, CFO, Mr. Alok Sahu, Vice President and Mr. Sushil Kumar Jain, Company Secretary be and are severally authorized to make the required alterations and finalize the Scheme."

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by KOMAL
BATHLA
Date: 2021.11.26
22:02:28 +05'30'

HCL

"RESOLVED FURTHER THAT Mr. Pawan Kumar Danwar, Director, Mr. Kapil Kapur, CFO, Mr. Alok Sahu, Vice President and Mr. Sushil Kumar Jain, Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps to give effect to the Scheme of Amalgamation and to do all such acts, deeds, matters and things including but not limited to:

- a) appoint advocate(s) in order to represent the Company before the Registrar of Companies, Regional Director, Official Liquidator, NCLT and/or such other authorities and to file the necessary applications, petitions, affidavits, for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc. that may be passed by the Regional Director, Official Liquidator or NCLT or SEBI or the Stock exchanges and/or such other authorities / courts and all such other documents as may be required for and on behalf of the Company.
- b) verify, sign, affirm, execute and acknowledge all deeds, declarations, instruments, affidavits, applications, petitions, vakalats, objections, consents, notices and writings whatsoever as may be necessary in relation to the implementation of the Scheme.
- c) make such alterations, modifications or amendments in all the applications, petitions and other documents as may be required for complying with the requirements or conditions as may be imposed by the Regional Director, Official Liquidator or NCLT and/or any other appropriate authorities and to prepare and execute applications, petitions.
- d) appoint solicitors, advocates, accountants and other expert advisors for implementation of the scheme of amalgamation;
- e) withdraw the Scheme at any stage in case any changes and/or modifications suggested/ required to be made in the Scheme or any condition imposed, whether by any shareholder, creditors, NCLT, Courts and /or any other regulatory authority, are in their view not in the interest of the Company, and / or if the Scheme cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto
- f) do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any questions or doubts or difficulty whatsoever that may arise, for the purpose of giving effect to the Scheme.
- g) Obtaining consent of shareholders and creditors of the Company for the said Scheme along with the consent to dispense the holding of their meeting;
- h) Conducting the meetings of the shareholders and/ or the creditors, signing and sending the notices and carry all such other activities in relation to the meeting, if the Tribunal does not dispense with the meetings

KOMAL Bathla
BATHLA

Digitally signed by
KOMAL BATHLA
Date: 2021.11.26
22:02:46 +05'30'

HCL INFOSYSTEMS LTD.

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

Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791

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

Corporate Identity Number - L72200DL1986PLC023955

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- i) produce all documents, matters or other evidence in connection with the matters aforesaid on all and any of other proceedings incidental thereto or arising thereat.
- j) make, prepare any applications, petitions, appeals, judges summons, notices, before any court, tribunal or authorities.
- k) file, submit with the Registrar of Companies, Regional Director, Official Liquidator, NCLT and/or other statutory/regulatory authorities any forms, documents, affidavits through electronic media or any other computer readable media or manually to follow up the same.
- l) do all such acts, deeds and things, as may be necessary and incidental thereto and to sub-delegate the powers conferred vide this resolution to any persons as may be necessary
- m) To give no objection certificates on behalf of the Company in relation to the Scheme."

"RESOLVED FURTHER THAT the Scheme of Amalgamation be filed with the relevant regulatory authorities including the NCLT or any other appropriate authority for their approval and sanction of the Scheme of Amalgamation."

"RESOLVED FURTHER THAT any Director of the Company and/or Mr. Sushil Kumar Jain, the Company Secretary be and is hereby severally authorized to issue copy of this resolution.

Certified true copy

For HCL Infosystems Limited

KOMAL Digitally signed
by KOMAL
BATHLA
BATHLA Date: 2021.11.26
22:02:58 +05'30'

Komal Bathla

Company Secretary

Designation: Company Secretary

Membership No. A41455

Address: 49/6 Lal Quarters, Lohia Nagar,
Ghaziabad, U.P., 201001

HCL

B S R & Associates LLP

Chartered Accountants

Building No. 10, 8th Floor Tower-II
DLF Cyber City, Phase-II
Gurgaon - 122 002, India

Telephone: +91 124 7191000
Fax: +91 124 235 8813

The Board of Directors,
HCL Infosystems Limited
E-4, 5, and 6, Sector -11
Noida-201301
Uttar Pradesh, India

Independent Auditor's Certificate on the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation

1. This Certificate is issued in accordance with terms of the engagement letter dated 26 November 2018 and addendum to the engagement letter dated 26 August 2020.
2. We, the statutory auditors of HCL Infosystems Limited (hereinafter referred to as "the Company" or "Transferee Company"), have examined the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation ("the Scheme") of Digilife Distribution and Marketing Services Limited ("Transferor Company 1") and HCL Learning Limited ("Transferor Company 2") with HCL Infosystems Limited under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act"), with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act and other generally accepted accounting principles. The proposed accounting treatment has been reproduced in the annexure to the certificate.

Management's Responsibility

3. The management is responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations and the applicable Indian Accounting Standards and other generally accepted accounting principles as aforesaid, and the scheme has been approved by Board of Directors of the respective companies involved. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



B S R & Associates LLP is a firm of Chartered Accountants in India.
It is a Limited Liability Partnership (LLP) registered with the Registrar of Companies, India.
It is a member firm of the Institute of Cost Accountants of India.

Registered Office
8th Floor, Lodhikopla
Apple City Compound
W-10, Jyoti Marg, Gurgaon
Haryana - 122 001

Auditor's responsibility

1. Pursuant to the requirements of the Act, it is our responsibility to examine and report whether the proposed accounting treatment specified in Clause 16 of the Scheme, as reproduced in the annexure to the certificate, is in accordance with the applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Act and other generally accepted accounting principles in India. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of the financial statements of the Company. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid scheme.
2. We conducted our examination of the proposed accounting treatment specified in Clause 16 of the Scheme as reproduced in Annexure to the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
3. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

4. Based on our examination and according to the information and explanations given to us, in our opinion, the accounting treatment specified in clause 16 of the Scheme, reproduced in the annexure to this Certificate and initialed by us for identification, is in compliance with the applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Act and other generally accepted accounting principles in India.

14/3/21

B S R & Associates LLP

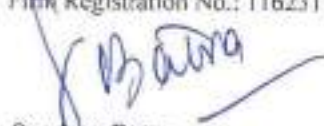
Restriction on use

5. This Certificate is provided to the Board of Directors of the Company for onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, Stock Exchanges(s) and Regional Director, Ministry of Corporate Affairs, in relation to the Scheme. This Certificate should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231 W/W-100024



Sandeep Batra

Partner

Place: New Delhi

Date: 31 August 2020

Membership No.: 093320

ICAI UDIN: 20093320AAAABV6822

Annexure I

Extract of the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation ("the Scheme") of Digilife Distribution and Marketing Services Limited ("Transferor Company 1") and HCL Learning Limited ("Transferor Company 2") with HCL Infosystems Limited ("the Transferee Company") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act")

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

- 16.1 Transferee Company shall record all assets, liabilities and reserves of the Transferor Companies vested in Transferee Company pursuant to this Scheme, at the carrying values as appearing in the books of Transferor Companies, as per Para 9 of Appendix C of Ind AS 103.
- 16.2 The amount of investment, if any, in the Transferor Companies, appearing in the books of the Transferee Company shall stand cancelled.
- 16.3 The inter-company balances, if any, appearing in the books of account of Transferor Companies and Transferee Company shall stand cancelled and there shall be no further obligation/ outstanding in this respect.
- 16.4 The difference, if any, between the carrying value of assets and liabilities including the reserves and surplus of Transferor Companies recorded as per Clause 16.1 above and after effecting adjustments mentioned in Clause 16.2 and Clause 16.3 above shall be adjusted as per Appendix C of Ind AS 103.



B S R & Associates LLP

Chartered Accountants

Building No. 10, 8th Floor Tower-B
DLF Cyber City, Phase III
Gurgaon - 122 002, India

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

The Board of Directors,
HCL Learning Limited
E-4, 5, and 6, Sector -11
Noida-201301
Uttar Pradesh, India

Independent Auditor's Certificate on the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation

1. This Certificate is issued in accordance with terms of the engagement letter dated 26 November 2018 and addendum to the engagement letter dated 25 August 2020.
2. We, the statutory auditors of HCL Learning Limited, (hereinafter referred to as "the Company" or "Transferor Company 2"), have examined the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation ("the Scheme") of Digilife Distribution and Marketing Services Limited ("Transferor Company 1") and HCL Learning Limited with HCL Infosystems Limited ("Transferee Company") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act"), with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act and other generally accepted accounting principles. The proposed accounting treatment has been reproduced in the annexure to the certificate.

Management's Responsibility

3. The management is responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations and the applicable Indian Accounting Standards and other generally accepted accounting principles as aforesaid, and the scheme has been approved by Board of Directors of the respective companies involved. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

5/3/21

Auditor's responsibility

1. Pursuant to the requirements of the Act, it is our responsibility to examine and report whether the proposed accounting treatment specified in Clause 16 of the Scheme, as reproduced in the annexure to the certificate, is in accordance with the applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Act and other generally accepted accounting principles in India. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of the financial statements of the Company. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid scheme.
2. We conducted our examination of the proposed accounting treatment specified in Clause 16 of the Scheme as reproduced in Annexure to the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
3. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

4. Based on our examination and according to the information and explanations given to us, the Scheme requires that upon the Scheme becoming effective and with effect from the appointed date, all assets and liabilities of Transferor Company 2 shall be transferred to the Transferee Company and Transferor Company 2 shall stand dissolved without winding up, accordingly the question of our commenting on the accounting treatment in the books of Transferor Company 2 doesn't arise.

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B S R & Associates LLP

Restriction on use

5. This Certificate is provided to the Board of Directors of the Company for onward submission to the National Company Law Tribunal and other regulatory authorities including Regional Director and Ministry of Corporate Affairs, in relation to the Scheme. This Certificate should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sandeep Batra

Partner

Membership No.: 093320

ICAI UDIN: 20093320AAAABX4956

Place: New Delhi

Date: 31 August 2020

Annexure I

Extract of the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation ("the Scheme") of Digilife Distribution and Marketing Services Limited ("Transferor Company 1") and HCL Learning Limited ("Transferor Company 2") with HCL Infosystems Limited ("the Transferee Company") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act")

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

- 16.1 Transferee Company shall record all assets, liabilities and reserves of the Transferor Companies vested in Transferee Company pursuant to this Scheme, at the carrying values as appearing in the books of Transferor Companies, as per Para 9 of Appendix C of Ind AS 103.
- 16.2 The amount of investment, if any, in the Transferor Companies, appearing in the books of the Transferee Company shall stand cancelled.
- 16.3 The inter-company balances, if any, appearing in the books of account of Transferor Companies and Transferee Company shall stand cancelled and there shall be no further obligation/ outstanding in this respect.
- 16.4 The difference, if any, between the carrying value of assets and liabilities including the reserves and surplus of Transferor Companies recorded as per Clause 16.1 above and after effecting adjustments mentioned in Clause 16.2 and Clause 16.3 above shall be adjusted as per Appendix C of Ind AS 103.



[Handwritten signature]

B S R & Associates LLP

Chartered Accountants

Building No. 10, 8th Floor Tower-B
DLF Cyber City, Phase-II
Gurgaon - 122 002, India

Telephone: +91 124 7191000
Fax: +91 124 235 8513

The Board of Directors,
Digilife Distribution and Marketing Services Limited
E-4, 3, and 6, Sector -11
Noida-201301
Uttar Pradesh, India

Independent Auditor's Certificate on the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation

1. This Certificate is issued in accordance with terms of the engagement letter dated 26 November 2018 and addendum to the engagement letter dated 25 August 2020.
2. We, the statutory auditors of Digilife Distribution and Marketing Services Limited, (hereinafter referred to as "the Company" or "Transferor Company 1"), have examined the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation ("the Scheme") of Digilife Distribution and Marketing Services Limited and HCL Learning Limited ("Transferor Company 2") with HCL Infosystems Limited ("Transferee Company") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act"), with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act and other generally accepted accounting principles. The proposed accounting treatment has been reproduced in the annexure to the certificate.

Management's Responsibility

3. The management is responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations and the applicable Indian Accounting Standards and other generally accepted accounting principles as aforesaid, and the scheme has been approved by Board of Directors of the respective companies involved. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's responsibility

1. Pursuant to the requirements of the Act, it is our responsibility to examine and report whether the proposed accounting treatment specified in Clause 16 of the Scheme, as reproduced in the annexure to the certificate, is in accordance with the applicable Indian Accounting Standards notified by the Central Government under Section 133 of the Act and other generally accepted accounting principles in India. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of the financial statements of the Company. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid scheme.
2. We conducted our examination of the proposed accounting treatment specified in Clause 16 of the Scheme as reproduced in Annexure to the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
3. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

4. Based on our examination and according to the information and explanations given to us, the Scheme requires that upon the Scheme becoming effective and with effect from the appointed date, all assets and liabilities of Transferor Company 1 shall be transferred to the Transferee Company and Transferor Company 1 shall stand dissolved without winding upon, accordingly the question of our commenting on the accounting treatment in the books of Transferor Company 1 doesn't arise.

Signature

B S R & Associates LLP

Restriction on use

5. This Certificate is provided to the Board of Directors of the Company for onward submission to the National Company Law Tribunal and other regulatory authorities including Regional Director and Ministry of Corporate Affairs, in relation to the Scheme. This Certificate should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231 W/W-100024



Sandeep Batra

Partner

Place: New Delhi

Date: 31 August 2020

Membership No.: 093320

ICAI UDIN: 20093320AAAAABW5887

Annexure I

Extract of the proposed accounting treatment specified in Clause 16 of the scheme of amalgamation ("the Scheme") of Digilife Distribution and Marketing Services Limited ("Transferor Company 1") and HCL Learning Limited ("Transferor Company 2") with HCL Infosystems Limited ("the Transferee Company") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Act")

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

- 16.1 Transferee Company shall record all assets, liabilities and reserves of the Transferor Companies vested in Transferee Company pursuant to this Scheme, at the carrying values as appearing in the books of Transferor Companies, as per Para 9 of Appendix C of Ind AS 103.
- 16.2 The amount of investment, if any, in the Transferor Companies, appearing in the books of the Transferee Company shall stand cancelled.
- 16.3 The inter-company balances, if any, appearing in the books of account of Transferor Companies and Transferee Company shall stand cancelled and there shall be no further obligation/ outstanding in this respect.
- 16.4 The difference, if any, between the carrying value of assets and liabilities including the reserves and surplus of Transferor Companies recorded as per Clause 16.1 above and after effecting adjustments mentioned in Clause 16.2 and Clause 16.3 above shall be adjusted as per Appendix C of Ind AS 103.



A handwritten signature in blue ink, appearing to be "Kapin", written over the circular stamp.

Board Report

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

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

1. Shareholders

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

2. Creditors

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

HCL INFOSYSTEMS LTD.

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

Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791

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

Corporate Identity Number - L72200DL1986PLC023955

www.hclinfosystems.in

www.hcl.com

3. Key managerial Personnel

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

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

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

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

Name: Pawan Danwar

Designation: Director

(DIN: 06847503)

Address: 17-A Dhruva Apartments

Plot No. 43 Sector 13 Rohini

New Delhi 110085.

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

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

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

1. Shareholders

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

2. Creditors

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

3. Key managerial Personnel

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

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

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

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

Pawan

Name: Pawan Kumar Danwar

Designation: Director

DIN: 06847503

Address: 17-A Dhruva Appartments

Plot No. 43 Sector 13 Rohini

New Delhi 110085.

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

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

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

1. Shareholders

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

2. Creditors

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

3. Key managerial Personnel

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

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

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

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



Name: Dilip Kumar Srivastava

Designation: Director

(DIN: 06847137)

**Address: 241, Deerwood Chase, Nirvana Country Sector 50,
Islampur(97), South City-II Gurgaon 122018 Hr In**



REGISTER OF DIRECTORS AND K

(Pursuant to Section 170 of Companies Act, 2013 and Rule

NAME OF COMPANY Duglife Distribution and Marketing Services Limited

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Officer's Name or initials and Co.
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons therefor	
1	2	3	4	5	
00040221	Mr. Harshavardhan Moolhar Chitale S/o. Moolhar Atmaram Chitale [Resigned w.e.f 31/12/2014]	17/03/1972 Indian C. Service	Tower P-3, Ground Floor -1, ATS Correch Village, Sec-93 A Noida, Uttar Pradesh 201304	07/11/2011 05/01/2012 Regulated as Retired Dir 16/08/2014 apptd as Managing Director	- HC Engg Genl - HC Lin - HS Un - HC Co - H Un
	Mr. Pradeep Tahiliani S/o Mr. Ashok Tahiliani (Company Secretary) [Resigned w.e.f 10 th July, 2015]	21/04/1977 Indian C. Service	308, 1 st Floor, Shukla Khind- III, Indirapuram Ghaziabad, U.P. 201010	04/12/2013	

NAME OF COMPANY Digilife Distribution and Marketing Services Limited

LIMITED/PRIVATE LIMITED

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address		Date of Board Resolution in which Appointment made		Office of Director or KMP held or Relinquished in any other Corporate	Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons therefor	Name of Company wherein Securities held				No., Description and Nominal Value of Securities	Date of Acquisition	Date of Disposal	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition	Whether Securities Pledged or any Encumbrance created	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
00040221	Mr. Harshvardhan Madhav Chitale S/o Madhav Atmaram Chitale [Resigned w.e.f 31/12/2014]	17/03/1972 Indian D-Service	Tower P 3, Ground Floor-1, ATS Complex Village, Sec 93 D Noida, Uttar Pradesh 201304	07/11/2011 05/11/2012 Reappointed as Robohand Dir 16/08/2014 HCL Inf. Systems Limited HCL Tech Solutions Limited HCL Inf. Systems Limited [Appointed as director w.e.f. 18/08/2014]	HCL Informatics Limited HCL Tech Solutions Limited HCL Inf. Systems Limited	[Resigned w.e.f 31/12/2014] [Resigned from Directorship] w.e.f. 19/08/2014 [Resigned w.e.f 31/12/2014]											
	Mr. Pradeep Tahiliani S/o Mr. Ashok Tahiliani (Company Secretary) [Resigned w.e.f. 10 th July, 2015]	21/04/1977 Indian D-Service	308, 1 st Floor, Chak Khond-III, Indirapuram Ghaziabad, U.P. 201010	04/12/2013		A18570	AFAPT 6343N										

REGISTER OF DIRECTORS AND KEY

(Persuant to Section 170 of Companies Act, 2013 and Rule 17 of

NAME OF COMPANY Diglife Distribution and Marketing

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished or any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
06646724	Mr. Rajesh Rajzada S/o Mr. Jagdish Singh Rajzada (Relinquished from Directorship w.e.f. 16/08/2014)	20/05/1963 Indian Govt. Service	1801, AIS Green Village, Sec-93A, Noida - 201304	16/12/2013 (Appointed as Managing Director w.e.f. 16/12/2013)	HCL Corporation Limited
01683381	Mr. Sudhakar Naithani S/o Mr. Bhairav Dutt Naithani (Relinquished from Directorship w.e.f. 16/08/2014)	19/09/1968 Indian Govt. Service	10 B, Pocket - C, Mayapuri Vihar PH-III, D	16/12/2013 (Appointed as addl Director)	
06755713	Mr. Binay Bhatnagar S/o Sunder Singh Bhatnagar (Relinquished from Directorship w.e.f. 16/08/2014)	03/06/1971 Indian	G-51, Trinity Towers	16/12/2013 (Appointed as addl Director)	

(Persuant to Section 170 of Companies Act, 2013 and Rule 17 of

Companies (Appointment and Qualifications of Directors) Rule, 2014]

NAME OF COMPANY Digital Distribution and Marketing

Services

~~.....LIMITED/PRIVATE LIMITED~~

[illegible]

NAME OF COMPANY

Digitize Distributions and Marketing

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
0174807	Mr. Nikhil Sinha S/o Girish Narayan Sinha	03/08/1960 U.S.A Service	4719 Cat Mountain Drive, Austin Texas 78731	16/08/2014 apptd as addl. Director	- Silver Sky Pvt Ltd. - HCL - Infosys Limited - HCL Learning Ltd. - HCL - Cognizant Limited
0584713	Mr. Dilip Kumar Srinivasan S/o Ram Gopal Srinivasan	10/01/1960 Indian S	241, Oakwood Chase, Nirvana Country South city - 2 Gurgaon, Haryana 122001	16/08/2014 apptd as addl. Director	- HCL - Infosys Limited - HCL - HCL Telecare Pvt Ltd - HCL - Infosys Ltd - HCL - HCL Learning Pvt. Services Limited - HCL Fresh Services

NAME OF COMPANY

Digitize Distribution and Marketing

Services

LIMITED/PRIVATE LIMITED

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or relinquished in any other Corporate	Membership No. of the CSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons thereon			Name of Company wherein Securities held	No., Description and Nominal Value of Securities	Date of Acquisition Price or Other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation						Whether the Company itself, its Holding Company, Subsidiary Company or Associate Company						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
01174807	Mr. Nikhil Sinha S/o Girish Narayan Sinha	03/08/1960 U.S.A o. Service	4719 Cat Mountain Drive Austin Texas 78731	16/08/2014 (apptd as add. Director)	Sinhastha Pvt Ltd CHCL Infosys Limited HCL Learning Ltd. Cousins India Private Limited			[Resigned from directorship w.e.f. 1/04/2015]						
06847132	Mr. Dilip Kumar Srinivasan S/o Ram Gopal Srinivasan	10/01/1960 Indian o. s	241, Dewarai Chauri, Nirvana Country South city - 2, Gurgaon Haryana 122001	16/08/2014 (apptd as add. Director)	HCL Infosys Limited HCL Telecom Pvt Ltd HCL Infosys Ltd HCL Learning Services Limited HCL Group Inf & Staffing Services Pvt. Ltd.			[apptd as add. Director w.e.f. 18/08/2014] [apptd as add. Director w.e.f. 19/08/2014] [apptd as add. Director w.e.f. 22/08/2014] [Resigned from directorship w.e.f. 15/06/2016] [Resigned from directorship w.e.f. 29/02/2016]						

Digital Distribution and Marketing

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Acquired in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Fathers Name, Mothers Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
00092478	Ms. Sangeeta Talwar P/o Raghbir Narayan Shimla	05/05/1956 Indian	S-373, Greater Kailash Part-2, New Delhi - 110048	16/08/2014 (Appd as add. Director)	Manipal Global Education Services Pvt. Ltd Polygas Enterprises Limited Flydubai Consulting LLP HCL Information Systems Ltd. GlaxoSmithKline Consumer Healthcare Limited HCL Techno HCL Services Limited Green Energy Green Energy Limited Mahindra First Choice Construction
	(Resigned from Directorship w.e.f 30 th April, 2015)				

LIMITED/PRIVATE LIMITED

NAME OF COMPANY

Digitel Distribution and Marketing

Services

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Resigned in any other Corporate	Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Name of Company wherein Securities held			No., Description and Nominal Value of Securities	Date of Acquisition	Date of Disposal	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition	Whether Securities Pledged or any Encumbrance created	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation	Date of Cessation of Office and Reasons thereof	Whether the Company itself, is Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company	Price or Other Consideration Paid			Price or Other Consideration Received						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
00062478	Ms. Sangeeta Talwar P/o Raghbir Narayan Shinghal	15/05/1956 Indian	S-373, Greater Kailash Part-2, Kalkaji, New Delhi - 110048	16/08/2014 (Appointed as add. Director)	Manipal Global Education Services Pvt. Ltd Religan Enterprises Limited Flyvision Consulting LLP HCL Infosystems Ltd GlaxoSmithKline Consumer Healthcare Limited									
	(Resigned from Directorship w.e.f. 30 th April, 2015)													
				[Resigned w.e.f. 15/12/2014]	HCL Infotech Ltd			[Appointed as add. Director w.e.f. 10/08/2014]						
				[Resigned w.e.f. 15/12/2014]	HCL Services Limited			[Appointed as add. Director w.e.f. 20/08/2014]						
					Green Agro Limited			[Appointed as add. Director w.e.f. 08/09/2014]						
					Green Agro Wind Energy Limited			[Appointed as add. Director w.e.f. 09/09/2014]						
					Meharika Post Choice wreck Ltd			[Appointed as Independent Director w.e.f. 31/03/2015]						

Digital Distribution and Marketing

Director Identification No. (OIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
03328890	Mr. Kamshik Dutta S/o. Ajit Kumar Dutta	01/05/1992 Indian	843-A, Block 2ary Pinto, Anand Vihar Delhi, 110049	16/08/2014	NSL Retiree able Power Ret Ltd
	[Resigned w.e.f 11/10/2021]				- Thought Arbitrage Regulatory Insider - Contrivance Development Advisory Services India Pvt Ltd - HCL Enterprise Ltd - Thought Arbitrage Consulting - Newgen Software Technologies Limited - HCL Services Pvt - Zomato Media Private Limited → NeoV → NeoV → NeoV → NeoV → NeoV

~~...LIMITED/PRIVATE/CONFIDENTIAL~~

Digital Distribution and Marketing

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NAME OF COMPANY Digilife Distribution and Marketing

Director Identification No (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
06847503	Mr. Pawan Kumar Director S/o Mr. Gopi Ram	07/07/1966 Indian	A-17, Dharma apt, Plot -43, Sector-13, Rohini, Delhi - 110085	16/08/2014 appd as adl. Director	- HCL Infoguard - HCL Services Ltd HCL HealthCare Pvt. Ltd Shri Madan ARC Research Foundation
06899242	Ms. Ritu Gupta S/o Shyam Rishabh Gupta	21/02/1963 Indian	B-101, Sector-14 Noida, Uttar Pradesh 201301	16/08/2014 appd. as adl. Director	- HCL Technologies Solutions Limited - HCL Investments (India) Pvt - Universal Auto Limited - HCL Infotech Ltd [Resigned w.e.f 15/12/2014] - HCL Learning Ltd - HCL Software Solutions - HCL Services Limited → Tutor

NAME OF COMPANY DigiLife Distribution and Marketing Services LIMITED/PRIVATE LIMITED

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate	Membership No. of the CSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Nationality (including Nationality of origin if different) Occupation	Present Residential Address	Date of Appointment and Reappointment in the Company Date of Cessation of Office and Reasons thereof	Name of Company wherein Securities held Whether the Company itself its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company			No., Description and Nominal Value of Securities	Date of Acquisition Price or Other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of Holding - Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
00047503	Mr. Pawan Kumar Dwarika S/o. Mr. Gopi Ram	01/07/1966 Indian	A-17, Dhruva apts, Plot-43, Sector-13, Rohini, Delhi-110085	16/08/2014 Appointed as addl. Director	HCL Technology Pvt. Ltd. HCL Services Ltd. HCL Healthcare Pvt. Ltd. Shiv Nadar Aic Research Foundation				[Appointed as addl. Director] w.e.f. 24/08/2014 [Resigned w.e.f. 15/06/2018] [Appointed as addl. Director] w.e.f. 17.07.2015 [App. w.e.f. 01/08/2017]						
00099240	Ms. Rishi Gupta S/o. Shyam Vishnu Gupta	21/02/1963 Indian	B-101, Sector-14 Noida, Uttar Pradesh 201301	16/08/2014 Appointed as addl. Director	HCL Technologies Solutions Limited Kamraj Securities Investments (India) Pvt. Ltd. Universal Assurance Corporation Limited HCL Egencia Ltd. HCL Learning Ltd. RMA Software India Pvt. Ltd. HCL Services Limited				HCL Technologies (Shanghai) Limited. HCL Axon Solutions (Shanghai) Limited. Renew Ashray wja Limited (App. w.e.f. 29/01/2018) Renew Wind Energy (Karnataka) Private Limited (App. w.e.f. 16/01/2019) Renew Wind Energy (Tata) Limited (App. w.e.f. 07/02/2018) HCL Talentcare Private Limited (App. w.e.f. 18/06/2016) Renew Wind Energy (Api) Private Limited (App. w.e.f. 18/03/2019) [Appointed as addl. Director] w.e.f. 18/08/2014 [Appointed as addl. Director] w.e.f. 19/08/2014 [Appointed as addl. Director] [Resigned w.e.f. 28/01/2019] w.e.f. 24/09/2014 [Appointed as addl. Director] [Resigned w.e.f. 15/05/2018] w.e.f. 15/05/2014						

(Pursuant to Section 170 of Companies Act, 2013 and Rule 17)

NAME OF COMPANY Digitlife Distribution and Marketing

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director KMP has or Relinquished any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons therefor	
1	2	3	4	5	6
06925559	Mr. Sundarajan Mabelingam S/o Sundara mabelingam	22/09/1960 Indian	403, Omex Twin Towers F-21, Sector-50 Noida, U.P. 201301	16/08/2014 appointed as Director	HC L Services HC Learning
				→ Foundation Promotion of Sports And games	
				→ Prominix online Railvate Limited	
	Mr. Sanjay Kumar Saraf S/o Mr. Ramesh Saraf (Chief financial officer)		20, SRM Apartment, 106 Bilpurgary, Delhi, 110092	16/08/2014 appointed as Chief financial officer	
	[Resigned w.e.f 10.09.2018]				

NAME OF COMPANY Digilife Distribution and Marketing Services ~~LIMITED/PRIVATE LIMITED~~

[illegible]

NAME OF COMPANY DigiLife Distribution and Marketing

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
1	2	3	4	5	6
00852815	Mr. Dharendra Singh S/o Mr. Gopal Singh [Appointed w.e.f 30/04/2015]	23/03/1945 " Indian " Service	102, Earth Court-2 J.P. Greens, Greater Noida - U.P. 201306	30/04/2015 [Resigned w.e.f 31/03/2019]	J.M. Finance Products & HCL Infotech Limited → HCL Infotech Ltd
	Ms. Sumita Gaur [S/o Mr. Gauri Shankar Gauri] (P.C.S.)	1/11/1984 " Indian " Service	F-301, Annapali Sapphire Sector 45	19/10/2015 [Resigned w.e.f 15/12/2015]	-
	Ms. Gurjan Khanna [S/o Mr. Yog Raj Khanna] (P.C.S.)	08-08-1991 " Indian " Service	Plot No 10 (G.F.) D-3, Sector-16, Rishi New Delhi-110089	25/01/2016	-
	Mr. Deepak Kumar Jajodia [S/o Mr. Beni Prasad Jajodia] (Chief Financial Officer) [Appointed w.e.f. 23.12.2018]	25/05/1975 " Indian " Service	N-405, the Palm Grove, Gurgaon - Haryana - 122018	23/10/2018	-
	[Resigned w.e.f 14.10.2019]				

Service

~~...LIMITED/PRIVATE LIMITED~~

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate	Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having D.N.)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Name of Company wherein Securities held				No., Description and Nominal Value of Securities	Date of Acquisition	Date of Disposal	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition	Whether Securities Pledged or any Encumbrance created	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof											Whether the Company itself, its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
00852815	Mr. Dhirendra Singh S/o Mr. Gopal Singh [Appointed w.e.f. 30/04/2015]	23/03/1945 H-Indian O-Service	102, Earth Court-2 J.P. Greens, Greater Noida, U.P. 201306	30/04/2015 [Resigned w.e.f. 31/03/2019]	J.M. Finance/ Products Ltd HCL Technologies Limited ITI Limited → HCL Infrastructure Ltd									→ HCL Services Limited [App. w.e.f. 27/03/2017] [Resigned w.e.f. 15/04/2018] → HCL Learning Limited [App. w.e.f. 29/05/2017] → ASP Transport Private Limited [App. w.e.f. 31/08/2017] [Resigned w.e.f. 22/12/2017]	
	Ms. Seemita Gaur (N/o Mr. Gauri Shankar Gauri) [Appointed w.e.f. 25.01.2016]	1/11/1984 H-Indian O-Service	F-801, Annapali Sapphires Sector 45	19/10/2015 [Resigned w.e.f. 11/12/2015]	-	24376	ASMPG12226								
	Ms. Chunjana Khanna (N/o Mr. Yog Raj Khanna) [Appointed w.e.f. 25.01.2016]	08-08-1991 H-Indian O-Service	Plot No. 10 (A.F.) D-3 Sector-16, Rohini New Delhi-110084	25/01/2016	-	37245	DAWPK87AD								
	Mr. Deepak Kumar Jajodia [S/o Mr. Beni Prasad Jajodia] (Chief Financial Officer) [Appointed w.e.f. 23.10.2018] [Resigned w.e.f. 14.10.2019]	25/05/1975 H-Indian O-Service	H-405, the Palm Drive, Gurgaon Haryana-122001	23/10/2018	-		AAHFI947D								

NAME OF COMPANY DigiLife Distribution and Marketing Services

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
07932761	Mr. Raghavendra Ranganathan (S/o Mr. Raghunath Ranganathan)	22/02/1957 Indian Service	197, Munirka Enclave, Munirka, J.N.U.S.O South West Delhi India - 110067	12/12/2018	- LTH Ltd Private limited - HCL Infocore Limited - HCL Infocore Limited - HCL Leads Limited
	[Resigned w.e.f 31.03.2020]				
	Mr. Anuj Minocha (S/o Mr. Gurbaksh Lal Minocha) (Chief Financial Officer)	01/05/1984 Indian Service	K-32, 2 nd floor, Kirti Nagar, Ramesh Nagar, Rajouri Garden, West Delhi New Delhi - 110015	02/12/2019	
	[Resigned w.e.f 11.12.2020]				
	Mr. Gaurav Bhatta (S/o Subhash chandra Bhatta) (Chief Financial Officer)	04/02/1979 Indian Service	136, Gagan Vihar Ext. Gagan Vihar East Delhi - 110051	09/06/2021	

LIMITED/PRIVATE LIMITED

NAME OF COMPANY DigiLife Distribution and Marketing ServicesUnit

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished or any other Corporate	Membership No. of the ICS, in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Nationality (including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons thereof			Name of Company wherein Securities held	No., Description and Nominal Value of Securities	Date of Acquisition	Date of Disposal	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition	Whether Securities Pledged or any Encumbrance created
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
0193276	Mr. Raghav Raghav (S/o Mr. Raghav pr Service	22/02/1959 Indian	197, Munisika Enclave Munisika, T.N.V.S.O South West Delhi India - 110067	12/12/2018	- LTM N Private Limited HCL Infra systems Limited - HCL dynasys limited - HCL Learning Limited			HCL dynasystems Limited (holding Company)	34500 shares @ 2 each					
	[Resigned w.e.f 31.03.2020]													
	Mr. Anuj Minocha (S/o Mr. Gurbaksh Dal Minocha) Chief Financial Officer)	01/05/1984 Indian	K-32, 2 nd floor Kirti Nagar, Rohini Nagar, Rajouri Garden, West Delhi New Delhi - 110015	02/12/2019			BAKPM11663							
	[Resigned w.e.f 11.12.2020]													
	Mr. Gaurav Bhatta (S/o Subhash chandra Bhatta) Chief Financial Officer)	04/02/1979 Indian	136, Gagan Vihar Ext. 1, Gagan Vihar East Delhi - 110051	09/06/2021			AJCPB058167							

Sold by

J.M. JAINA & BROTHERS
3022, Main Gate, DLF-1, Gurgaon
Pin-229124 • E-mail: jainabrothers@gmail.com
Website: www.jainabrothers.in

THE COMPANY

REGISTER OF DIRECTORS AND KE

(Pursuant to Section 170 of Companies Act, 2013 and Rule 17)

NAME OF COMPANY HCL LEARNING LIMITED

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Officer
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Director KMP or other
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons therefor	Qualification any other
1	2	3	4	5	6
01934922	Mr. Robin Bhattacharya S/o Manoj Bhattacharya (Resigned from directorship w.e.f. 19.08.2014)	27/08/1962 Indian Service	D-168, Subansari Lok Gurgaon, Haryana 122002	28.09.2012 Resigned w.e.f. 19/08/2014	HCL Company Private HCL Director HCL Africa Limited HCL Private
00040221	Mrs. Harshavardhan Manohar Chitale (Resigned from Directorship w.e.f. 19.08.2014)	17/03/1972 Indian Service	Tower R3, Ground Floor 1, AFS Green Village, Sec. 43A, Noida Uttar Pradesh 201304	12.12.2013 Resigned w.e.f. 19/08/2014	HCL Director Private Director and Sum HCL Serv HCL Core

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THE COMPANY

REGISTER OF DIRECTORS AND K

(Pursuant to Section 170 of Companies Act, 2013 and Rule 11)

NAME OF COMPANY

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(Pursuant to Section 170 of Companies Act, 2013 and Rule 1)

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office Director KMP : or Requisition any of Conduct
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons thereof	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation				
1	2	3	4	5	6	
03114983	Mr. Pramkumar Seshadra S/o Mr. Raj- Gopalakrishna Seshadra	Indian	11/05/1959	Padmalaya, 78, Krishna Street, Nungambakam, Chennai, Tamil Nadu 600034	19/08/2014 [Resigned w.e.f. 31-03-2015]	HCL Infosys All Se Talent Lym HCL Talent B7 Co HCL Service HCL Infocor
01174807	Mr. Nikhil Sinha S/o Mr. Gurish Narayan Sinha		03/08/1960	4719, Cat Mountain Drive, Austin Texas 78731	19/08/2014	Chaeas All Hcl. HCL Infosys Digital Technical and Business Services → Courts → HCL

MANAGERIAL PERSONNEL WITH THEIR SHARE HOLDINGS

Companies (Appointment and Qualifications of Directors) Rule, 2014)

LIMITED/PRIVATE LIMITED

Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
		Name of Company wherein Securities held Whether the Company itself, its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company	No. Description and Nominal Value of Securities	Date of Acquisition Price or Other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created
7	8	9	10	11	12	13	14	15
appointed as Managing Director								
Resigned w.e.f. 22/02/2015								
appointed as additional Director w.e.f. 20/08/2014								
appointed as addl. Dir. w.e.f. 15/12/2014								
Resigned w.e.f. 1.04.2015								
appointed as additional Director w.e.f. 16/08/2014								
adn Private Limited [app. w.e.f. 13/02/2017] [Resigned w.e.f. 25/06/2018]								
adn Limited [app. w.e.f. 28.09.2021]								

NAME OF COMPANY

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
06047137	Mr. Dilip Kumar Srivastava	10/01/1960 Indian	241, Deerwood Street, Nirvana Country, Sector City - 2, Gurgaon, HR 122001	19/08/2014	HCL Technologies Ltd HCL Technologies Pvt. Ltd. [appl. as Managing Director w.e.f. 01/01/2015] and Marketing Services Ltd HCL Technologies Ltd HCL Services Ltd HCL & Staffing Services HCL Technologies Solutions Ltd Resigned from Directorship w.e.f. 15/12/2014 Universal Office Auto- mation Ltd DigitLife Distributors and Marketing Universal Ltd
06091240	Ms. Ritu Gupta A/L Shyam Mohan Gupta	21/02/1963 Nepal, U.P., 201301	B-101, Sec. 14 Noida, U.P., 201301	19/08/2014	HCL Technologies Solutions Ltd Resigned from Directorship w.e.f. 15/12/2014 Universal Office Auto- mation Ltd DigitLife Distributors and Marketing Universal Ltd

Sl. No.	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
		Name of Company wherein Securities held Whether the Company is its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company	No. Description and Nominal Value of Securities	Date of Acquisition Price or Other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding - Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created
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NAME OF COMPANY.....

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Companies
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
					HCL Indiabulls RMA Software Bank of India
00149856	Mr. Nishant Agarwal	30/04/1989	B-146 Sec-19	17/08/2014	GA Corp Rd 123
	40 Mr. Indu Babbar	Indians	Noida, UP. 201301		HCL Employers Indiabulls South Africa Computer Lab International Data Manager Vijay Sankar Anand Singh Rishi Rishi HCL Indiabulls Assigned from Danden Ship w.e.f. 15.12.2014 RMA Sikka name

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate	Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Nationality (including Nationality of origin if different) Occupation	Present Residential Address	Date of Appointment and Reappointment in the Company Date of Cessation of Office and Reasons thereof			Name of Company wherein Securities held Whether the Company itself its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company	No. Description and Nominal Value of Securities	Date of Acquisition Price or Other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding - Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
					HCL Imphal Ltd RMA Software Pankaj Ltd				Appointed as additional Director w.e.f. 18/08/2014 Appointed as additional director w.e.f. 24/09/2014						
00149856	Mr. Nishu Agarwal s/o Mr. Tades Babarh Agarwal	30/04/1984	B-140 Sec-19 Noida, UP-201301	19/08/2014	HCL Employee Residential South Asia Construction Ltd Infrastructure Data Manager Vijay Sarda On 10/08/2014 (Held) Pankaj Ltd				Resigned w.e.f. 31/03/2015						
					HCL Imphal Ltd RMA Software				Appointed as additional Director w.e.f. 10/08/2014 Appointed as additional Director w.e.f. 20/08/2014 Appointed as additional Director w.e.f. 29/05/2014					Resigned w.e.f. 28/01/2019	

NAME OF COMPANY

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames, if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
					Part 2 Part 2 HCL Ltd
					→ Shri Madan Investment Co → Shri Madan Investment → SSN Investment P
2695559	Mr. Sundarajan Mahalingam S/O Mr. Sundara Mahalingam	22/09/1960 Indian	P-403, Dmex Twin Towers, F-21, Sec-50 Noida, U.P. 201301	19/08/2014	Digit Distribut and Con Services HCL Services Ltd Foundation for Promotion of Sports and Games → Pomtek Online Private Limited
	Mr. Yash Gupta S/O Mr. Ashok Kumar Gupta	12/08/1984 Indian	C-140, Sec-51 Noida, U.P. 201301	19/08/2014	Resigned w/e 15/12/2014

NAME OF COMPANY

LIMITED/PRIVATE LIMITED

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate	Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Nationality (including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons thereof			Name of Company wherein Securities held	No., Description and Nominal Value of Securities	Date of Acquisition Price or Other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation						Whether the Company itself, its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
					Park B-1114									
					→ HCL Learning India Ltd [app. w.e.f. 19/8/2014]									
					→ Shiksha Nandan Investment (Private) Ltd.			→ appointed w.e.f. 04/07/2019.						
					→ Shiksha Nandan Investment (Delhi) Private Ltd.			Amalgamated w.e.f. 24.10.2020						
					→ SSN Foundation of Education [appointed w.e.f. 14/02/2020]									
1692559	Mr. Sundarajan Mahalingam S/o Mr. Sundara Mahalingam	22/09/1968 Indian	P-403, Dmex Twin Towers, F-21, Sec-50 Noida, U.P. 201301	19/08/2014	- Deputy Distribution and Marketing Services Ltd - HCL Services Ltd - Foundation for Promotion of sports and games → Pannik Online Private Limited			[appointed as additional Director w.e.f. 16/08/2014] [appointed as additional Director w.e.f. 20/08/2014] [app. w.e.f. 20/07/2017] [app. w.e.f. 3/11/2017] [Ap. 2019 (str/ro off)]						
	Mr. Yash Gupta S/o Mr. Ashok Kumar Gupta	12/08/1984 Indian	C-140, Sec-51 Noida, U.P., 201301	19/08/2014	Resigned w.e.f. 15/12/2014		A32310 ADVRS 7740.B							

NAME OF COMPANY

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office Director KMP or Relinquished any other Corporate
	Any former Name and Surname in Full	Nationality (including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons therefor	
1	2	3	4	5	6
	Ms. Mani Shuja W/o Vijay Kumar Shuja (CS) (Resigned w.e.f. 6/1/2015)	28/02/1983 Indian	ATT B, 11 th floor, Gate No. 4, Gandhinagar	31/08/2015 (Resigned w.e.f. 6/1/2015)	
00973430	Ms. Nina Puri W/o Mr. Kuldeep Singh	22/01/1955 Indian	21-D Friends Colony (West) New Delhi- 110065	10/1/2015 - RN Cancer 28/08/2015 - Vision Im → Vision Im → Arden hospital	
	Mr. Deepak Malik (CS) [W/o Late Mr. Vijay Malik]	05/04/1989	J-704, Hi-B/2nd W/O SCOTTISH GARDEN, BHINSA KHAN-2 Indrapuram	29/03/2016 (Resigned w.e.f. 15/09/2017)	

..... LIMITED/PRIVATE LIMITED

[illegible]

Director Identification No. (DIN) Optional for KMP	Name and Surname In Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof	
1	2	3	4	5	6
00852815	Mr. Dhirendra Singh S/o Mr. Gopal Singh	23-03-1945 Indian	102, Earth Court 2 J.P. Greens, Greater Noida - 201306 U.P.	29-05-2017 [Resigned w.e.f. 31/03/2019]	HCL Information Tech Ltd.
	[Resigned w.e.f. 31-03-2019]				J.M.F. Finance Private Ltd.
					HCL
					Infotech Ltd.
					Digilife Distribution and Marketing Services Limited
					H.C.L.
					Services Ltd.
					ASP Insurance Private Ltd.

...LIMITED/PRIVATE LIMITED

[illegible]

Director Identification No (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Reappointment in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons thereof	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation				
1	2	3	4	5	6	
02306627	Mr. Vikas Agarwal S/o Mr. Om Prakash Agarwal	1-05-1971 Indian Sewil	27, Engineers Estate, 21, I.P. Extn. Patparganj, Delhi - 110092	29-05-2017	Universal Office Automation Ltd HCL Infosys Ltd HCL Infotech Limited → South Asia Computers Limited	
	[Resigned w.e.f. 30th June, 2021]					

...LIMITED/PRIVATE LIMITED

[illegible]

THE COMPANIES REGISTER OF DIRECTORS AND KEY

(Pursuant to Section 170 of Companies Act, 2013 and Rule 17 of

NAME OF COMPANY: HCL Leasing

Director Identification No. (DIN) Additional KMP	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate	Member No. of ICSI (if any) Case Comp Secre
	Any Former Name and Surname in Full	Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company		
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full	Occupation		Date of Cessation of Office and Reasons thereof		
1	2	3	4	5	6	7
132701	Mr. Raghav Ranjan (S/o Mr. Raghav Pr.)	22/02/1951	191, Munirka Enclave, Munirka, I.N.W. Sec 1 South West Delhi India - 110067	27/03/2018	LTH MNC Private Limited HCL Lysystems Limited HCL Tech Lysotech Limited DigitLife Distribution & Marketing Services Limited	
	[Resigned w.e.f. 31.03.2018]					

NAME OF COMPANY

ML Learning

...LIMITED/PRIVATE LIMITED

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made		Office of Director or KMP held or Relinquished in any other Corporate	Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
	Any Former Name and Surname in Full	Nationality (including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons thereof				Name of Company wherein Securities Held	No., Description and Nominal Value of Securities	Date of Acquisition	Date of Disposal	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition	Whether Securities Pledged or any Encumbrance created
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation													
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
01932751	Mr. Raghav Ranganathan (aka Mr. Raghavan pr) [Resigned w.e.f. 31.03.2020]	22/02/1959 Indian Service	197, Munirka Enclave, Munirka, J.N.U. Sec South West Delhi India - 110067	27/03/2018	LTH Mkt Private United HCL Infosystems Limited HCL Infotech Limited Digilife Distribution & Marketing Services Limited				HCL Infosystems Limited (Holding Company)	34500 shares @ 2 each					
				</											



REGISTER OF DIRECTORS AND KEY

(Pursuant to Section 170 of Companies Act, 2013 and Rule 17 of

NAME OF COMPANY.....HCL.....Learning

Director Identification No. (DIN) (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Corporate
	Any Former Name and Surname in Full		Nationality (Including Nationality of origin if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames if Full					
	Occupation					
1	2	3	4	5	6	
	Ms. Karnal Batula (cs)	19/07/1990	49/6, 1st Quarter, Lehra Nagar, G.Z.B. 201001	4.02.2019		
	do. Mr. Vijay Kumar Batula	Indian Service				
	[Resigned w.e.f 9 th Feb, 2021]					

REGISTER OF DIRECTORS AND KEY

(Pursuant to Section 170 of Companies Act, 2013 and Rule 17 of

MANAGERIAL PERSONNEL WITH THEIR SHARE HOLDINGS

Companies (Appointment and Qualifications of Directors) Rule, 2014]

NAME OF COMPANY HCL Learning

.....LIMITED/PRIVATE/LIMITED

[illegible]

①

KALKA & CO.
257A, Selegie Rd., 20.
Lamp & Mirror, Glass Oil etc.
Tel: 4607/03

NAME OF COMPANYHCL.....INFOSYSTEMS.....LIMIT

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Other Director Identification No.
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation			
00010210	Mr. V.N. Kouru	08/04/1940	7, Mangalwar Vihar	24/01/2006	CR
	S/o Late Mr. D.M. Kouru	Indian	New Delhi - 110017		Elected
	Mr. Kouru				1st
	Mr. Christy Kouru				2nd
	Mr. ...				3rd
	(Resigned w.e.f. 27.09.2008)				...
			</		

COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014

LIMITED/PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIAL

JUN 15 1964

KALKA & CO.
27A, RAIPUR Bldg., 50
Joshi Marg, New Delhi-110
Ph: 461627

PURSUANT TO SECTION 170 C
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANYHCL INFOSYSTEMS LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company Date of Cessation of Office and Reasons therefor	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation			
	Mrs Sushil Kumar Jain	30/04/1963	D-166, Sector - 50	10/06/2008	Unimark
	S/o Late Sh. Kisban Chand Jain.	(Service) (Indian)	Noida, Uttar Pradesh - 201301		The Bharat Limited
	s/o Raghuwari Jain				RMA
	Wife - Deepa Jain				Cyberonix Private Ltd
	[Resigned w.e.f. the closing hours of 31/03/2021]				Maxima Internet Services Ltd

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

[illegible]

REGISTER OF DIRECTORS AND KEY MANAG

KALKA & CO.
27A, Selegie Rd., #9.
Tel: 118 000, 118 001-3
Fax: 118 27482

PURSUANT TO SECTION
RULE 17 OF COMPANIES (APPOINTMENT)

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

NAME OF COMPANY HCL INFOSYSTEMS LIMITED					
Director Identification No. (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address Present Residence Address	Date of Board Resolution in which Appointment made
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different) Occupation	Date of Appointment and Reappointment in the Company Date of Cessation of Office and Reasons thereof		
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full				
0174807	Mr. Nikhil Sinha	03/08/1960	4719 Cat Mountain Drive, Austin, Texas 78731, U.S.A.	29/07/2009	Pr
	S/O Mr. Gitesh Mangam Singh	USA			Pr
	[Re-appointed as Director on 19/11/2009]				Pr
	Mr. Gitesh Singh				Pr
	W. Laxmi Singh				Pr

QUALIFICATIONS OF DIRECTORS) RULES, 2014

LIMITED/PRIVATE LIMITED

Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
		Name of Company where in Securities held Whether the Company Itself, its Holding Company, Subsidiary of Holding Company or Associate Company	No., Description and Nominal Value of Securities	Date of Acquisition Price or other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding - Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created
		[Resigned w.e.f 11/04/2015]	NIL	-				
		[appointed as additional Director w.e.f 16/08/2014]						
		[appointed as additional Director w.e.f 19/08/2014]						
		[appointed w.e.f 13/02/2007] [Resigned w.e.f 25/06/2008]						

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Jai Mata Di

KALKA & CO.
37A Salford Rd. St.
Alby, Stoke, Tam. Staffs. B8
Ph 41027492

**PURSUANT TO SECTION 170 OF
RULE 17 OF COMPANIES (APPOINTMENT AND**

NAME OF COMPANY HCL INEOSYSTEMS LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

PURSUANT TO SECTION 170
RULE 17 OF COMPANIES (APPOINTMENT AND REMOVAL)

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

Jai Mata Di

KALKA & CO.
G-74, Sector 17, Gurgaon
Haryana, India - 122002
Ph: 4960332

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director: KMP held or Relinquished in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	"Detention" Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation		Date of Cessation of Office and Reasons therefor	
03611983	Mr. Pradeep Kumar	13/02/1957	162, Main Entrance Drive	17/08/2011	Quartz/
	Khushi S/o Mr. Arjun	USA	Pittsburgh, Pennsylvania		Inc., U.S.
	Khushi		1522 R, USA		- Biometric
					U.S.
	Resigned on 12 th June, 2017				NO FILL
					Mr., U.S.
					Propell
					Inc.
					Ther Energy
					iNetwork
					U.S.
					Origillan

PERSONNEL WITH THEIR SHARE HOLDINGS

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

LIMITED/PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Jul 2447 Di

KIKASO

FOLENA & CO.
514, Borysof Bld. 5th
Narval Place, New Orleans
LO. 8-1543

PURSUANT TO SECTION 170 (1)

RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

[illegible]

QUALIFICATIONS OF DIRECTORS) RULES, 2014

LIMITED/PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIAL

PURSUANT TO SECTION 170 OF
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation		Date of Cessation of Office and Reasons therefor	
00852815	Mr. Bhurendra Singh	23/03/1945	102, Earth Court - 2,	31/01/2012	T.M.
	S/o Mr. Chopal Singh	Indian	T. P. Greens, Greater Noida		Financial
	Wife - Mrs. Veena Singh	Seamstress	Uttar Pradesh, 201306		Product Ltd.
	How				IT
	(Resigned w.e.f. 31-03-2019)				Worked
					HCL
					Trident Ltd.
					- Digilife Ltd.
					and Knowledge
					Services Ltd.
					- Noida
					Centre
					- HCL Services
					- HCL Learning
					- ASP Training

QUALIFICATIONS OF DIRECTORS) RULES, 2014

LIMITED/PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Puñ M1 mto 17.

KALKA & CO.
GFA, Narypog Rd. 58,
Mam. Rnco, New Delhi-19
Ph: 4205031

PURSUANT TO SECTION 170
RULE 17 OF COMPANIES (APPOINTMENT A

NAME OF COMPANYHCL.....INFOSYSTEMS.....LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address		Date of Board Resolution in which Appointment made	Office Director KMP held or held in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	Date of Cessation of Office and Reasons therefor		
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full					Occupation	
60062478	Ms. Sangeeta Talwar	15/05/1966	S-373, Greater Kailash	11/02/2014	- Managing		
	Mr. Raghuraj Narayan	Indian	Part - 2, Kalkaji,		Global		
	Springhal		New Delhi - 110048		Educational		
	M- Mr. Rajan Talwar				Part - 1		
					Rajgarh		
					Interstate		
					Limited		
					Flourish		
					Company		
					Global		
	app: w.c.d. 11/02/2018		MCMS clothing Co. Limited		Company		
	app: w.c.d. 23/02/2018		Central India Limited		Healthcare		
	app: w.c.d. 1/02/2020		Mahindra Holidays &		Duplife		
			Resorts India Limited		Distributors		
	app: w.c.d. 1/05/2020		Happy Java Private Limited		and Market		
					Services		
					Resigned - HCL		
					w.c.d. 15/02/2020		
					Resigned w.c.d. - HCL		
					Initials only		
					Services		
					Green		
					Limited		

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

LIMITED/PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIAL

PURSUANT TO SECTION 170 OF
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation		Date of Cessation of Office and Reasons therefor	
23328890	Mr. Naushik Dutta	01/05/1962	843-A, Block Laxmi	11/02/2014	MSI Research
	S/o Mr. Ajit Kumar Dutta	Indian	Pinto, Asiad Village		Power & Life
	Mr. Naushik		Deli - 110049		Thought
					Arbitrage
					Research & Dev
					Consulting
					Development
					Advisory
					Services & Tools
					Part Ltd.
					Thought
					Arbitrage
					Consulting
	app. w.e.f. 15/02/2016		New Delhi Television Limited		Navigation
			NDTV Labs Limited		Software
	app. w.e.f. 02/02/2016		NDTV Convergence Limited		Technology Ltd
			NDTV Lifestyle Holdings United		HCL Services Ltd
			NDTV Networks Limited		Design
	app. w.e.f. 01/02/2017		Apparel Technology Systems		Electronics
			Private Limited 21/02/2020		And Marketing
	app. w.e.f. 24-01-2019		Newgen Software Int. US		Services Ltd
					Zamara

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

LIMITED,PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERIA

Jai Htunay Na

KALKA & CO.
614 S. 3rd St.
New York, N.Y. 10014
Tel. 410-2000

PURSUANT TO SECTION 170 C
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation			
0847137	Mr. Dilip Kumar Srivastava	19/04/60 India	241, Duneswood Chase, Nirvana Country, South City - 2, Gurgaon Haryana - 122001	21/03/2014	HCL
	Sto Mr. Ram Lal Srivastava	19-05-1960			Island Corp Pvt. Ltd
	W. Mrs. Yashodhara Srivastava				Duplex Dwarka
					and Park Pvt Services Ltd
					HCL
					Infotech Ltd
					HCL
					Learning
					HCL
					Service Ltd
			(Resigned on 29/02/2016)		HCL
					Staffing Service Private Unit

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

LIMITED/PRIVATE LIMITED

Membership No. of the ICS in case of Company Secretary	Income Tax PAN (Mandatory for KMP, not having DIN)	DETAILS OF SECURITIES HELD BY THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
		Name of Company where in Securities held Whether the Company itself, its Holding Company, Subsidiary of Holding Company or Associate Company	No., Description and Nominal Value of Securities	Date of Acquisition Price or other Consideration Paid	Date of Disposal Price or Other Consideration Received	Cumulative Balance and No. of Securities held after each transaction	Made of Acquisition Mode of holding Physical or Dematerialised	Whether Securities Pledged or any Encumbrance created
		(Amalgamated w.e.f. 24.10.2020)						
		[Appointed as additional Director w.e.f. 16/08/2014]						
		[Appointed as additional Director w.e.f. 18/08/2014]						
		[Appointed as additional Director w.e.f. 19/08/2014]						
		[Appointed as additional Director w.e.f. 29/08/2014] [Resigned w.e.f. 15.06.2018]						
		[Appointed as additional Director w.e.f. 15/06/2015]						

John F. Mendenhall

KALKA & CO.
C-72, Sarayoj Bld., 5th
Floor, Pigeon, New Delhi-110
111 41027492

Director
Identification No.
(Optional
for KMP)

· Name and Surname in Full

Any Former Name and
Surname in Full

Father's Name, Mother's Name
and Spouse's Name (if married)
and Surnames in Full

Date of Birth

Nationality
(including
Nationality
of origin,
if different)

Occupation

Permanent Residential Address

Present Residential Address

Date of Board Resolution in which Appointment made

Date of Appointment and Reappointment in the Company
--

Date of Cessation of Office and Reasons therefor
--

Office of
Director of
RMI* held
or Relin-
quished in
any other
Body
Corporate

04847513

Mr. Pearson Kumar

02/07/1944

A-17, Dining Apts.

21/3/2019

Original

Depend

1. London

Plot #13 Sector - 13

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S/O Mr. Gobi Rora

13 - Sperry's

Rolling Delhi - 20085

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W. White Sengler

Kendrick, A.

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Services to	
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Revised: 10/1/2010

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**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

Membership No. of the ICSI in case of Company Secretary	Income Tax PAN (Mandatory for KMP not having DIN)	DETAILS OF SECURITIES HELD IN THE COMPANY ITSELF, ITS HOLDING COMPANY, SUBSIDIARY COMPANY, SUBSIDIARY OF HOLDING COMPANY OR ASSOCIATE COMPANY						
		Name of Company where-in Securities held Whether the Company itself, its Holding Company, Subsidiary Company, Subsidiary of Holding Company or Associate Company	No., Description and Nominal Value of Securities	Date of Acquisition Price or other Consideration Paid	Date of Disposal Price or other Consideration Received	Cumulative Balance and No. of Securities held after each Transaction	Mode of Acquisition Mode of holding - Physical or Dematerialised	Whether Securities Pledged in any Encumbrance created
		[Appointed as additional Director w.e.f. 14/08/2014]						
		[Appointed as additional Director w.e.f. 20/08/2019] [Resigned w.e.f. 15-06-2018]						
		[Appointed as additional Director w.e.f. 17/04/2015]						
		AIC Research [Appointed w.e.f. 10/08/2019]						
		Incubation foundation [Appointed w.e.f. 14/02/2022]						

REGISTER OF DIRECTORS AND KEY MANAG

P. M. N. 101
KALKA & CO.
 57A, Market St.
 North B. C., New Delhi-19
 Ph. 4160232

PURSUANT TO SECTION
RULE 17 OF COMPANIES (APPOINTMENT)

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

NAME OF COMPANY HCL INFOSYSTEMS LIMITED					
Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Past/Present Residential Address	Date of Board Resolution in which Appointment made	
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation		Date of Cessation of Office and Reasons therefor	
	Mr. Sandeep Kumar Singh Sp. Kumar Virender Singh (Chief Financial Officer) [Resigned from the position of Chief Financial Officer w.e.f 01/04/2015]	21/01/1961 Indian Reserve	N/18-C Saket New Delhi - 110017	01/04/2014	Rv Sg Pvt HCL Bach HCL Gerrit HCL Tajpal Nehal Mabika Interns Samuel HCL PKC Singh HCL Tajpal MEAFZ Dular
-	Mother's name -				
-	Spouse's name -				

REGISTER OF DIRECTORS AND KEY MANAGERIAL

Jai Mata Di

KALKA & CO.
2-7A Edinburg, TX
NACM, Plaza, Nova Delia's
En 612-4402

PURSUANT TO SECTION 170 OF
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANYHCL INFOSYSTEMS LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Body Corporate	
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company		
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full					Date of Cessation of Office and Reasons therefor
05341830	Mr. Sangeer Sharma	09/09/1961	C-63 D.M. Floor	03/10/2014	Greenfield	
	S/o Chittaranjan Sharma	Indian	Defence colony		Ventures	
	W. Mrs. Wimpy Nath	Resident	Mad Delhi-110024		Pvt. Ltd.	
	[Resigned w.e.f. 13 th March, 2017]				HCL Services Limited.	
					HCL Digital Limited	

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGER

KALKA & CO.
974, Sahyadri Bldg, 28
Fazal Road, New Delhi-110
Tel: 41507422

PURSUANT TO SECTION 17
RULE 17 OF COMPANIES (APPOINTMENT

NAME OF COMPANY HCL INFOSYSTEMS LIMITED

Director Identifica- tion No (Optional for KMP)	Name and Surname in Full	Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appoint- ment made	On Date KMP or R equi any the Comp
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company	
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full	Occupation		Date of Cessation of Office and Reasons therefor	
	Mr. S.G. Munali	09/03/1967	302, Atankhasth, N. Indian, Bahya Acropolis, Gopalan Santhana Service Deonar Pada Road, Chembur, Mumbai - 400088	01/04/2015	
	Appointed as Group chief financial officer (w.e.f. 01/04/2015)				
	W - Mr. Sankar Gopalan				
	W - Vijayalakshmi Munali				
	Resigned w.e.f. 15.09.2017.				

PERSONNEL WITH THEIR SHARE HOLDINGS

COMPANIES ACT, 2013 AND**QUALIFICATIONS OF DIRECTORS) RULES, 2014**

LIMITED PRIVATE LIMITED

[illegible]

Jai Mata Di

KALKA & CO.
G-7A, Sukhyang Rd., S.S.
NORU Plaza, Lima Lanta-19
En. 21603401

NAME OF COMPANY.....HCL INFOSYSTEMS LIMITED

Director Identification No. (Optional for KMP)	Name and Surname in Full		Date of Birth	Permanent Residential Address	Date of Board Resolution in which Appointment made	Office of Director or KMP held or Relinquished in any other Body Corporate
	Any Former Name and Surname in Full	Nationality (including Nationality of origin, if different)	Present Residential Address	Date of Appointment and Reappointment in the Company		
	Father's Name, Mother's Name and Spouse's Name (if married) and Surnames in Full				Occupation	
07019164	Ms. Ritu Arora	05/05/1973	H.No - 272, Tatvam - Villa, Seha Road, Gurgaon	06/04/2015	Canara Bank Securities Limited	
	P/o Mr. Laxmi Narayan Gangrade	Indian	Service Sector - 48, Gurgaon - 122001			
	[appointed as additional Director w.e.f. 6/04/2015]					
	[appointed as Director 19/11/2016]					
					Alkermes Inc Management Singapore Pte Ltd	
					→ Bajaj Allianz Solutions	
					→ Bajaj Allianz Distributors	
					→ Bajaj Allianz Insurance	
					→ Bajaj Allianz Insurance	
	</					

REGISTER OF DIRECTORS AND KEY MANAGERIAL

2:13:30 PM

KALKA & CO.
G-72, Sarbajog Road, 25,
Kolkata-1, India. Phone 19
R. 4100260

**PURSUANT TO SECTION 170 OF
RULE 17 OF COMPANIES (APPOINTMENT AND**

NAME OF COMPANY

[illegible]

**COMPANIES ACT, 2013 AND
(QUALIFICATIONS OF DIRECTORS) RULES, 2014**

[illegible]

REGISTER OF DIRECTORS AND KEY MAN

John H. Brown, Jr.

KALKA & CO.
67A Sarvag Rd W
Nanyang Pkwy Low Fdn 10
Tel: 97500455

PURSUANT TO SECTION 17 OF THE COMPANIES ACT (APPOINTMENT OF A SPECIAL MANAGER)

NAME OF COMPANY

[illegible]

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

[illegible]

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KALKA & CO.
57A, Seaport Rd. #6,
Lulu Place, New Orleans
Ph 41407482

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**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

LIMITED/PRIVATE LIMITED

AAEP9647L

REGISTER OF DIRECTORS AND KEY MANAGERIAL

Del Mar Di

KALKA & CO.
G-7A Building Bldg. 52
Nahru Plaza, Nava Durg 12
Bk. 41607482

PURSUANT TO SECTION 170 OF
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANY

[illegible]

PERSONNEL WITH THEIR SHARE HOLDINGS

COMPANIES ACT, 2013 AND

COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014

LIMITED/PRIVATE LIMITED

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGERS

John M. H. H.

KALKA & CO.

G. A. SATHANAYAK

1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 26

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PURSUANT TO SECTION 170
RULE 17 OF COMPANIES (APPOINTMENT AND

NAME OF COMPANY

[illegible]

**COMPANIES ACT, 2013 AND
QUALIFICATIONS OF DIRECTORS) RULES, 2014**

[illegible]

REGISTER OF DIRECTORS AND KEY MANAGER

Idi Nnaji

KALKA & CO.
C 72, Easting 741, SE
Vehni Puzos, Nara 1244-13
Ba 41807460

PURSUANT TO SECTION 17
RULE 17 OF COMPANIES (APPOINTMENT

NAME OF COMPANY

[illegible]

**OF COMPANIES ACT, 2013 AND
ND QUALIFICATIONS OF DIRECTORS) RULES, 2014**

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