

**26<sup>th</sup> August, 2025**

To

<b>The General Manager</b> Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400001	<b>The Vice President</b> Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051
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**Sub: Annual Report for Financial year 2024-25 ("Annual Report")****Ref: Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.****Symbol: NSE: HCL-INSYS**  
**BSE (For Physical Form): 179**  
**BSE (For Demat Form): 500179**

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, please find enclosed herewith Annual Report for the financial year 2024-25, which is being sent through electronic mode to those Members whose email addresses are registered with the Depository participants, Company/Registrar & Transfer Agent.

Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter containing web-link and the exact path, to access the AGM Notice for the financial year 2024-25, is being sent by the Company to those Members whose e-mail ID is not registered with the Company/ Depository(ies).

The Annual Report is also available on the Company's website at <https://www.hclinfosystems.in/investors/>

This is for your information and records.

Thanking you  
**For HCL Infosystems Limited**

**Twinkle Monga**  
**Company Secretary & Compliance Officer**  
**Membership No. ACS 54882**

# HCL INFOSYSTEMS LIMITED

CIN- L72200DL1986PLC023955

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

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

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

## **NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 39<sup>TH</sup> (THIRTY NINTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF HCL INFOSYSTEMS LIMITED ("THE COMPANY") WILL BE HELD ON **WEDNESDAY, 17<sup>TH</sup> SEPTEMBER 2025 AT 10:30 A.M. THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM")** TO TRANSACT THE FOLLOWING BUSINESS:

### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 31<sup>st</sup> March 2025, together with the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended 31<sup>st</sup> March 2025 including the audited Balance Sheet as of 31<sup>st</sup> March, 2025, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon be and are hereby received, approved, and adopted."

- 2. To re-appoint Mr. Neelesh Agarwal (00149856), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Mr. Neelesh Agarwal (DIN 00149856) Director retiring by rotation, in accordance with the Articles of Association of the Company and being eligible for re-appointment be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

### **SPECIAL BUSINESS:**

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

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

**"RESOLVED THAT** pursuant to Section 197, 198, Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) ("the Act") and subject to other necessary approval(s), consent(s), or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to pay the remuneration, on the basis of his existing terms and conditions, as recommended by Nomination and Remuneration and the Board of Directors at their respective meetings held on 6<sup>th</sup> August 2025 and as set out in the explanatory statement annexed hereto, to Mr. Raj Kumar Sachdeva, Manager of the Company."

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

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

- 4. Appointment of M/s VKC & Associates, Company Secretaries, as the Secretarial Auditors of the Company.**

To consider, and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with provisions of Section 204 of the Companies Act, 2013 & Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors, approval of the members be and is hereby accorded for the appointment of M/s VKC & Associates, Practicing Company Secretary (FRN: P2018DE077000 and Peer Review

Certificate No. 6406/2025), as the Secretarial Auditor of the Company for a term of five consecutive years to hold office from the conclusion from the financial year 2025-26 till 2029-30, on such terms and conditions, including remuneration as mentioned in the explanatory statement and as may be determined by the Audit Committee and/or Board of Directors of the Company in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution".

**5. Material Related Party Transaction of the Company with HCL Capital Private Limited as per the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

To consider, and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), including any statutory modifications or re-enactment thereof, for the time being in force read with relevant circulars issued by the Securities and Exchange Board of India from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 ("Act") read with the rules framed thereunder including any statutory modification(s) or reenactment( s) thereof for the time being in force, other applicable laws / statutory provisions, if any, and based on the recommendation / approval of the Audit Committee, consent of the members of the Company be and is hereby accorded to authorise the Board of Directors of the Company (including any committee thereof) to avail advances/loans, unsecured non-convertible debentures, guarantee, corporate guarantee, security or any other form of financial support (as the case maybe), whether material or not, hitherto entered or to be entered into by the Company from time to time, from HCL Capital Private Limited (a related party to the Company as per SEBI Listing Regulations) up to a maximum amount of INR 1500 crores."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to the aforesaid related party transaction(s) and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution."

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

**Date: 6th August 2025  
Place: Noida**

**Twinkle Monga  
Company Secretary & Compliance Officer  
Membership No. ACS 54882**

**Notes:**

1. The Ministry of Corporate Affairs, Government of India (the "MCA") vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5 2022, 10/2022 dated Dec 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 (hereinafter, collectively referred as the "MCA Circulars") read with the SEBI Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (hereinafter, collectively referred as the "SEBI Circulars" and together with the MCA Circulars referred as the "Circulars") has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGMs and accordingly, the 39<sup>th</sup> Annual General Meeting (the "AGM" or the "39<sup>th</sup> AGM" or the "Meeting") of HCL Infosystems Limited (the "Company") will be held through VC or OAVM in compliance with the Circulars, the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. The Company has appointed National Securities Depositories Limited (NSDL), who will be providing facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.
3. **IN TERMS OF THE CIRCULARS, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 39<sup>th</sup> AGM (THE "NOTICE").**

However, in pursuance of Section 113 of the Act, representatives of the corporate members may be appointed for the purpose of voting through remote e-Voting, for participation in the 39<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 39<sup>th</sup> AGM. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [vkcs.pcs@gmail.com](mailto:vkcs.pcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com) or upload the same by clicking "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login. Further details in this regard are annexed separately and form part of this Notice.

4. Since the 39<sup>th</sup> AGM will be held through VC/OAVM Facility, no Route Map is being provided with the Notice. The deemed venue for the 39<sup>th</sup> AGM shall be the Registered Office of the Company.
5. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
6. The statement pursuant to Section 102 of the Act and the rules made thereunder setting out the material facts and the reasons for each item of Special Business is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations for each item of Special Business, which are considered unavoidable by the Board, is also provided in the said Statement.

Necessary disclosures as required under Regulation 36(5) of the Listing Regulations are also included as a part of the Statement to the Notice.

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

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

7. The Members may join the 39<sup>th</sup> AGM through VC/OAVM 15 minutes before the scheduled time to start the AGM by following the procedure as mentioned below and the window for joining the VC/OAVM Facility will remain open till the closure of the meeting.
8. Attendance of the members participating in the 39<sup>th</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from 11<sup>th</sup> September 2025 (Thursday) - 17<sup>th</sup> September 2025 (Wednesday) (both days inclusive) for the purpose of Annual General Meeting.

10. All correspondence with regard to share transfers/dividends and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agent (RTA) at the address given below:

M/s. Alankit Assignments Limited  
4E/2, Alankit House,  
Jhanewalan Extension, New Delhi-110055  
Phone : 011-42541234  
Email : [rta@alankit.com](mailto:rta@alankit.com)  
Website : [www.alankit.com](http://www.alankit.com)

11. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed Companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI vide its Press Release No. 12/2019 dated March 27, 2019 clarified that the said amendments do not prohibit an investor from holding shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor desirous of transferring shares which are held in physical mode after April 1, 2019 could do so only after the shares are dematerialized. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 fixed March 31, 2021 as the cut-off date for redelivery of transfer deeds. Accordingly, the shares that were re-lodged for transfer (including those requests that are pending with the Company / RTA) were allowed to be issued only in demat mode. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has now decided that, with immediate effect, listed Companies shall issue the securities in dematerialized form only, while processing investor service request pertaining to issuance of duplicate share certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificates, endorsement, sub-division/splitting/consolidation of share certificates, transmission and transposition. The securities holder/claimant are, accordingly, required to submit duly filled-up Form ISR-4, the format of which along with the said SEBI Circular dated January 25, 2022, can be downloaded from the Company's website, i.e. [www.hclinfosystems.in](http://www.hclinfosystems.in) under the tab "Investor > Shareholder Reference".

Members holding shares in physical form are, accordingly, requested to consider converting their holding to dematerialized form.

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

12. Pursuant to applicable provisions of Sections 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended from time to time, the Company has transferred unpaid/ unclaimed dividend along with the Shares. There is no unpaid/unclaimed dividend pending for transfer to IEPF account.
13. In compliance with the provisions of section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules 2014 as amended vide Companies (Management and Administration) Amendment Rules 2015 w.e.f. 19<sup>th</sup> March 2015, and the regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the Remote e-voting services provided by NSDL, on all resolutions to be transacted at the 39<sup>th</sup> AGM and facility for those members participating in the 39<sup>th</sup> AGM to cast vote through e-voting services during the 39<sup>th</sup> AGM.
14. Members seeking any information with regard to the Financial Statements are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
15. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
16. During the 39<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 39<sup>th</sup> AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 39<sup>th</sup> AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the closure of the 39<sup>th</sup> AGM.

17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant, and holdings should be verified from time to time.

**18. DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs**

In compliance with Circulars, the Notice along with the Annual Report of the Company for the financial year 2024-25, are being sent only in electronic mode, to Members whose e-mail address is registered with the Company or Share Transfer Agent ("RTA"), M/s. Alankit Assignments Limited or the Depository Participant(s). The Notice of the 39<sup>th</sup> AGM along with the Annual Report for the financial year 2024-25 will be available on the website of the Company at [www.hclinfosystems.in](http://www.hclinfosystems.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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

**19. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM**

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

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

**20. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM**

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

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

**The remote e-Voting period will commence on Sunday, 14<sup>th</sup> September, 2025 at (9:00 A.M. IST) and ends on Tuesday, 16<sup>th</sup> September, 2025 (5:00 P.M. IST).** During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., **Wednesday, 10<sup>th</sup> September, 2025**, may cast their votes by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Wednesday, 10<sup>th</sup> September 2025 being the cut-off date**, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date, i.e., Wednesday, 10<sup>th</sup> September 2025 should treat this Notice for information purpose only.**

CS Vineet K Chaudhary, Managing Partner of M/s VKC & Associates, Practicing Company Secretary having membership No F5327 and CP No 4548 and in case of his failure, CS Mohit K Dixit having membership no F12361 and CP No 17827 Partner of M/s VKC & Associates, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

The Scrutinizer shall after the conclusion of e-Voting at the 39<sup>th</sup> AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favor or against, invalid votes, if any, and whether the resolution has been carried or not, and such



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Report shall then be sent to the Chairman or a person authorized by him, within two (2) working days from the conclusion of the 39<sup>th</sup> AGM, who shall then countersign and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.hclinfosystems.in](http://www.hclinfosystems.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the stock exchanges and depositories.

**Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolutions forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Wednesday, 17<sup>th</sup> September 2025.**

**21. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS:**

As the AGM is being conducted through VC / OAVM, members are encouraged to express their views /send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com) to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before Wednesday, September 10, 2025 on the aforementioned e-mail id shall only be considered and responded to during the AGM.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com) on or before Wednesday, September 10, 2025. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

**22. PROCEDURE FOR INSPECTION OF DOCUMENTS:**

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and all the documents referred to in the accompanying Notice of the 39<sup>th</sup> AGM and the explanatory statement shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com/>

**23. KYC and Nomination Facility**

In order to enhance the ease of doing business for investors in the securities market, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, SEBI Circular No. SEBI/ HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 (hereinafter, collectively referred as the "SEBI KYC Circulars") mandated furnishing of PAN, full KYC details and Nomination by the holders of physical securities. The Company has intimated the security concerned about the folios which are incomplete in terms of the SEBI KYC Circulars.

Accordingly, Members are hereby requested to kindly comply with the SEBI KYC Circulars.

**ANNEXURE TO THE NOTICE**

**Explanatory Statement [Pursuant to Section 102 of the Companies Act, 2013]**

The following explanatory statement sets out all material facts relating to various businesses including Special Business in the accompanying Notice of the Annual General Meeting to be held on Wednesday, 17<sup>th</sup> September 2025.

**ITEM NO. 3**

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

The Board of Directors, in the meeting held on 6<sup>th</sup> August 2025, on the recommendation of the Nomination and Remuneration Committee, given its approval to revise the remuneration as stated below, of Mr. Raj Kumar Sachdeva, Manager of the Company, under the applicable provisions of Companies Act, 2013, subject to approval of members of the Company by way of Special Resolution. The Board also approved to pay this remuneration as minimum remuneration in case of inadequacy of profits and no profits:

(a)	Particulars	Last remuneration from 1 <sup>st</sup> July 2024	New proposed remuneration from 1 <sup>st</sup> July 2025
	Basic Salary	1,32,713/- per month	1,42,003/- per month
	House Rent Allowance	50% of Basic	50% of Basic
	Flexible Benefit Basket	3,05,310/- per month	3,07,094/- per month
	Performance Linked Bonus	15,92,560/- per annum	17,04,041/- per annum
	Contribution to Provident Fund	12% of the Basic Salary, as per the provision of the Employees Provident Fund and Miscellaneous Provision Act, 1952	12% of the Basic Salary, as per the provision of the Employees Provident Fund and Miscellaneous Provision Act, 1952
	Contribution to Superannuation Fund	NA	NA
	Contribution to National Pension Scheme	NA	14% of the basic salary, as per the Pension Fund Regulatory and Development Authority Act, 2013
	Gratuity	As per the provisions of the Payment of Gratuity Act, 1972	As per the provisions of the Payment of Gratuity Act, 1972
	Medical Insurance	92,982/- per annum	78,900/- per annum
	Company Car leased Scheme	NA	NA
	Long Term Incentive Plan (Enterprise Value Creator)	10 lakhs (one time) payable in July, 2025	10 lakhs (one time) payable in July, 2026
	Company driver has been Provided	NA	NA

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

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

### MINIMUM REMUNERATION

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

### OTHER TERMS AND CONDITIONS

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

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

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

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

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



# HCL INFOSYSTEMS

## Annexure: A

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

#### 1. GENERAL INFORMATION

- Nature of the industry: HCL Infosystems Limited is an IT System Integration and Solutions Company.
- Date or expected date of commencement of commercial production: The Company is in business since 1986.
- In case of new Companies, expected date commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- Financial performance based on given indicators as per audited financial results for the year ended 31<sup>st</sup> March 2025:

March 2025	₹ in Lakhs
<b>Standalone basis</b>	
Sales & Other Income	1,084.35
Profit after tax as per Profit & Loss Account	-2,185.14
Retained Earnings	-1,93,795.06
Net worth	-29,260.95
<b>Consolidated basis</b>	
Sales & Other Income	5,007.86
Profit after tax as per Profit & Loss Account	-2,110.92
Retained Earnings	-1,76,799.13
Net worth	-29,097.76

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

#### 2. INFORMATION ABOUT MR. RAJ KUMAR SACHDEVA

- Background details: Mr. Sachdeva has been associated with HCL Infosystems since 2019. As a global finance leader with 29 years of industry experience, Mr. Sachdeva has extensive experience with global Companies including corporate governance, establishing a solid foundation of compliances and internal controls, mergers and acquisitions, financial operations, financial accounting and reporting. He has a proven track record of being a business partner, partnering with IT experts, implementing digital tools. He is a commerce graduate from Delhi University and a Chartered Accountant.
- Past Remuneration: As mentioned above
- Job Profile and his suitability, award and recognition: The role of Mr. Sachdeva as Manager of the Company includes overall responsibility for day-to-day business activity of the Company. He is instrumental in deliverables of existing projects and collection of receivables from customers. Keeping in view his work with the Company he is eminently suitable for the present position. He is the key person in strategic decision making.
- Remuneration proposed & reasons and justification for payment of remuneration beyond the said limit: The terms of the remuneration proposed to be paid to Mr. Sachdeva have been specified in the explanatory statement of the resolution
- Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. The remuneration proposed to be paid to Mr. Sachdeva is in line with remuneration of Managers of other Companies, keeping in view his job profile, the size and operations of the Company.
- Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Sachdeva is not related to any Director or Managerial Personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration from the Company in the capacity of Manager.

**3. OTHER INFORMATION****a) Reasons for loss or inadequate profits:**

The Company's business has continued to face challenges in obtaining timely customer acceptance and signoffs for completed projects, leading to delays in receiving payments. As a result, there is no significant progress in recovering outstanding receivables from customers.

Due to multiple legal measures to recover our dues from the customers and legacy issues, significant effort and cost are being incurred on compliance, legal and legacy matters. Consequently, the Company continues to incur higher expenses towards legal cost along with other operational costs including manpower expenses, thereby contributing to the operational losses reflected in the financials.

- b)** Steps taken or proposed to be taken for improvement: Focus of the Company is to take actions/ initiatives that can help reduce operational losses.
- c)** Expected increase in productivity and profits in measurable terms: Presently the focus of the Company is on reduction of operational costs wherever possible.

**ITEM NO. 4****Appointment of M/s VKC & Associates, Company Secretaries, as the Secretarial Auditors of the Company**

The members may note that Securities and Exchange Board of India (SEBI) vide its notification dated 12 December 2024 amended the Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with provisions of Section 204 and other applicable provisions of the Act, if any, mandating every listed entity and its material unlisted subsidiaries incorporated in India to undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary duly recommended by the Board of Directors and appointed by the Members at the Annual General Meeting.

Accordingly, the Board of Directors of the Company ('Board'), based on the recommendation of Audit Committee, at its meeting held on 23<sup>rd</sup> May, 2025, unanimously recommended the appointment M/s. VKC & Associates, Practicing Company Secretary (FRN: P2018DE077000 and Peer Review Certificate No. 6406/2025), as the Secretarial Auditor of the Company for a term of five consecutive years to hold office from the conclusion from the financial year 2025-26 till 2029-30, at a annual remuneration of 2,50,000 (Rupees Two Lakh Fifty Thousand Only) per year plus applicable taxes and actual out of pocket expenses for conducting secretarial audit of the Company, with the power to the Audit Committee and / or Board of Directors to alter and vary the terms and conditions of appointment, including revision of remuneration during the tenure as the Secretarial Auditor of the Company, in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

The proposed remuneration is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor. The payment for services in the nature of certifications and other professional work will be in addition to the Secretarial audit fee and shall be determined by the Audit Committee and/or the Board of Directors.

**Profile of Secretarial Auditor**

M/s. VKC & Associates is a leading firm of practicing Company Secretaries with over 25 years of rich and diverse experience, VKC has built a strong reputation in delivering comprehensive professional services across Corporate Laws, SEBI Regulations and FEMA Regulations. Their expertise includes conducting Secretarial Audits, Due Diligence Audits, and Compliance Audits etc.

M/s. VKC & Associates have consented to the said appointment and confirmed that their appointment, if made, would be within the limit specified by the Institute of Companies Secretaries of India. M/s. VKC & Associates has confirmed that the firm has not incurred any disqualification and eligible to be appointed as Secretarial Auditor of the Company in terms of Regulation 24A (1A) of SEBI Listing Regulations, provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31<sup>st</sup> December 2024.

No Orders have been initiated or passed against the VKC or the Partners of the firm ICSI/SEBI/MCA/or any other competent authority / Court, both in India or outside India, during the preceding five (5) years.

Accordingly, approval of the Members is sought for the appointment of M/s. VKC & Associates as the Secretarial Auditor of the Company for a term of five consecutive years to hold office from the conclusion from the financial year 2025-26 till 2029-30, by passing an Ordinary Resolution.

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

**HCL INFOSYSTEMS****ITEM NO. 5****Material Related Party Transaction of the Company with HCL Capital Private Limited as per the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 23 of the SEBI Listing Regulations, all Material Related Party Transactions ("MRPTs") requires prior approval of the Members by means of an Ordinary Resolution.

The Company had taken approval from audit committee and board of directors dated 19th August, 2017 and shareholder approval dated 14th September, 2017 to seek financial support from one of its promoter entities HCL Corporation Private Limited upto INR 1500 crores.

Pursuant to recent regulatory requirements, HCL Corporation Private Limited may not be able to provide further financial support to the Company on the same terms as it has in the past. Therefore, with a view to continuing to avail financial support, the Company now intends to avail the financial support for upto an amount of INR 1500 crore from HCL Capital Private Limited, a related party in any of the following manners as follows:

- Loan/ Intercompany Deposit (ICD)/ Advance
- Issuance of unsecured Non-Convertible Debentures (NCD)
  - Corporate Guarantee to banks / Original Equipment Manufacturers (OEM) for obtaining working capital limits (fund based/ non-fund based) or procuring material and services
- To avail support in the form of lien on fixed deposits/ any other financial instrument for working capital limits.
- To repay all the existing inter-company loans from one of its promoter Company, HCL Corporation Private Limited.
- Issuance of comfort letter.
- Any other form of support/ borrowings

The financial support from HCL Capital Private Limited will result in the following direct/ indirect benefits to the Company:

- To repay all the existing inter-company loan from one of its promoter Company, HCL Corporation Private Limited.
- To issue fresh corporate guarantee/ SBLC in favor of banks/ OEMs.
- To obtain Bank Guarantees / SBLC at reducing cost
- To improve the credit with the lenders and to have better terms & conditions for the term loan/ working capital facilities availed/ to be availed from the bankers/ financial institution.

Further, the Company had also taken approval of its shareholders by way of a special resolution passed on 12th May, 2015 pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 for enhancing the borrowing limit up to INR 4,500 crores.

The Audit Committee and the Board of Directors have therefore, subject to the approval of the members, approved to avail the financial support by way of any one or more of the above upto a maximum value of INR 1500 Crores.

As the value of the transaction is likely to exceed 10% of the consolidated annual turnover of the Company for the financial year ended on 31st March, 2025, it is a MRPT and it would require prior approval shareholders under Regulation 23 of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015.

The specific terms and conditions of ICD/ Loans / NCD, guarantees or any other form of financial support (as the case maybe), shall be determined from time to time, provided that the aggregate amount of financial support extended at any given point shall not exceed the limit specified in the aforementioned resolution. Further, the terms and conditions of such transactions shall be fair, reasonable, and in the best interests of the Company, and shall not be unfavorable to the Company.

Under Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions have to be approved by ordinary resolution of the shareholders and the related parties shall abstain from voting on such resolution whether the entity is a related party to the transaction or not.

**Details of the proposed transactions with HCL Capital Private Limited, being a related party of the Company, the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are as follows:**

Sr.No	Description	HCL Capital Private Limited
<b>1</b>	<b>Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT.</b>	
<b>a)</b>	Name of Related Party and its relationship	HCL Capital Private Limited, a wholly owned subsidiary of the Promoter, as disclosed in the filings made with stock exchanges from time to time.
<b>b)</b>	Name of the Director or Key Managerial Personnel who is related, if any	None of the directors or Key Managerial Personnel of the Company are Directors or Key Managerial Personnel of HCL Capital Private Limited and neither they nor their relatives have any interest in these transaction(s).
<b>c)</b>	Nature, Material terms, monetary value and particulars of the contract or arrangement	The Company would be entering into related party transactions for availing of advances/ loans, corporate guarantee, or guarantee in any other form, unsecured non-convertible debenture or any form of borrowings whether secured or unsecured and security, whether material or not, hitherto from time to time, from HCL Capital Private Limited (a related party to the Company as per the SEBI Listing Regulations) upto a maximum amount of Rs. 1500 Crores. The specific terms and conditions of ICD/ Loans / NCD, guarantees or any other form of financial support (as the case maybe), shall be determined from time to time, provided that the aggregate amount of financial support extended at any given point shall not exceed the limit specified in the aforementioned resolution. Further, the terms and conditions of such transactions shall be fair, reasonable, and in the best interests of the Company, and shall not be unfavorable to the Company.
<b>d)</b>	Value of transaction	Upto 1500 crore
<b>e)</b>	Percentage of annual consolidated turnover of HCL Infosystems Limited considering FY2024-25 as the immediately preceding financial year.	6094%
<b>2)</b>	Justification for the transaction	Please refer to "Background, details and benefits of the transaction" which forms part of the Statement to the resolution no 05.
<b>3)</b>	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	Not Applicable
<b>a)</b>	Details of the source of funds in connection with the proposed transaction.	Not Applicable
<b>b)</b>	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments:- Nature of indebtedness,- Cost of funds and- Tenure	Not Applicable
<b>c)</b>	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Not Applicable
<b>d)</b>	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable

## HCL INFOSYSTEMS

### Details of Directors seeking Appointment/ Re-appointment/ approval for the remuneration for manager at the Annual General Meeting

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

Name of Director/Manager	Mr. Neelesh Agarwal (Director)	Mr. Raj Kumar Sachdeva (Manager)
Director Identification Number (DIN)	00149856	NA
Date of Birth (age in years)	61 years	53 years
Date of first Appointment	01/04/2022	01/05/2021
Nationality	Indian	Indian
Qualification(s)	Chartered Accountant	Chartered Accountant
Experience	Over three decades	Around 29 years
Details of shareholding in the Company (In case of listed entity including shareholding as beneficial owner)	Nil	Nil
Expertise in specific functional areas / brief resume	Mr. Neelesh Agarwal has expertise in corporate tax planning and efficiency, corporate restructuring and business integration, accounts, corporate laws & regulatory compliances.	Mr. Raj is Working as Manager of HCL Infosystems Limited. He has been associated with HCL Infosystems since 2019. As a global finance leader with 29 years of industry experience, Raj has extensive experience with global Companies including corporate governance, establishing a solid foundation of compliances and internal controls, mergers and acquisitions, financial operations, financial accounting and reporting. He has a proven track record of being a business partner, partnering with IT experts, implementing digital tools. Raj is a commerce graduate from Delhi University and a Chartered Accountant.
Other Directorship(s)	<ul style="list-style-type: none"> <li>HCL Infotech Limited</li> <li>Vama Sundari Investments (Pondi) Private Limited</li> <li>SSN Incubation Foundation</li> </ul>	Nil
Chairman/Member of the Committee of the Board of Directors of Company	Member of Stakeholders Relationship Committee	Nil
Committee Positions in other Public Companies	Nil	Nil
Number of Board meetings attended	3 out of 4	4 out of 4
Terms & conditions of appointment/ re-appointment	NA	As mentioned above
Relationships between Directors inter-se and other Key Managerial Personnel	Not related to any Director and other KMP	Not related to any Director and other KMP
Name of Listed Companies from which resigned during last 3 years	NIL	Nil
In case of Independent Director Skills & Capabilities required for the role & the manner in which the proposed person meets such requirements	NA	NA

**THE FOLLOWING INSTRUCTIONS SHOULD BE READ IN CONJUNCTION WITH THE NOTICE OF  
39<sup>th</sup> ANNUAL GENERAL MEETING OF HCL INFOSYSTEMS LIMITED**

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

The remote e-voting period begins on Sunday, 14<sup>th</sup> September 2025 at 9:00 A.M. and ends on Tuesday, 16<sup>th</sup> September 2025 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 10<sup>th</sup> September 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 10<sup>th</sup> September 2025.

Any person who acquires equity shares of the Company and becomes a Member after dispatch of the Notice of the AGM and holds shares as on the cut-off date i.e. Wednesday, 10<sup>th</sup> September, 2025 may obtain the login Id and password for e-Voting, by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com)

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

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

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





**Step 1: Access to NSDL e-Voting system**

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company</li> </ol>



	<p>name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>5. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;">  App Store          Google Play       </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password', and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).

- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ykc.pcs@gmail.com](mailto:ykc.pcs@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 at the designated email address: [evoting@nsdl.com](mailto:evoting@nsdl.com) or [pallavid@nsdl.com](mailto:pallavid@nsdl.com) at telephone no. 022- 48867000. Members may also write to the Company Secretary at the Company's email address [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com) and [rta@alankit.com](mailto:rta@alankit.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1**

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

3. Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Members will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com) . The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at [cosec@hclinfosystems.com](mailto:cosec@hclinfosystems.com) on or before Wednesday, September 10, 2025. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.



# Annual Report 2024-2025

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman

Nikhil Sinha

### Manager

Raj Kumar Sachdeva

### Directors

Ritu Arora (till 05.04.2025)

Kirti Kumar Dawar

Raghu Venkat Chivukula

Pawan Kumar Danwar

Neelesh Agarwal

Rita Gupta

## CHIEF FINANCIAL OFFICER

Alok Sahu

## COMPANY SECRETARY

Komal Bathla (till 25.02.2025)

Twinkle Monga (appointed w.e.f. 23.05.2025)

## AUDITORS

BSR & Associates LLP, Gurugram

## BANKERS

State Bank of India

ICICI Bank Ltd.

Standard Chartered Bank

Axis Bank Limited

IDFC First Bank Ltd.

## REGISTERED OFFICE

806, Siddharth, 96

Nehru Place, New Delhi - 110 019

## CORPORATE OFFICE

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

## CORPORATE IDENTITY NUMBER

L72200DL1986PLC023955



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## CHAIRMAN MESSAGE



Dear Shareholders,

The Company's priorities during FY 2024-25 continued to be on the recovery of receivables that are long overdue along with the completion of ongoing projects. During the year, the Company successfully completed two major power projects and is now focused on recovering the receivables. The Company has taken various actions including legal proceedings against several customers to recover outstanding dues.

As I have pointed out previously, our business has been facing delays in acceptance and sign-offs on project completion from certain customers, particularly those in the power sector, resulting in delays in recovering receivables. Also, as the Company continued to provide support to these customers as required under the relevant contracts, the Company is incurred higher costs which are contributing to operational losses as reflected in the financials. The team has been continuously engaging with customers to recover the outstanding dues including invoking arbitration, wherever required.

The Company has received some favorable arbitration awards during the year amounting to ₹ 16,386 lakhs (approx.). However, the customers have the right to further appeal against these awards.

The Promoter Company has been voluntarily extending financial support (by way of loans and Corporate Guarantee) to the Company from time to time to assist in meeting its financial obligations.

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

I would like to thank and express my gratitude to our shareholders for their commitment to the Company.

With Warm Regards,  
Nikhil Sinha

# Management Discussion and Analysis

## Focus on the reduction of outstanding debt and losses

During FY 25, the Company continued to take measures to recover outstanding dues from the customers including pursuing legal proceedings and closing of few ongoing projects to facilitate the collection of past receivables.

## Businesses Performance & Highlights

In FY 25, we have reported revenue from continuing operations of ₹ 2,461.27 Lakhs while in FY 24 our revenue was ₹ 3,217.34 Lakhs.

During the year, two of our power projects were operationally concluded and handed over to the customers. However, due to pending claims and unresolved commercial matters for both the projects, we are currently under arbitration.

Though the business was able to realise ₹ 3,428.59 Lakhs from various customers, our IT support services continued to face delays in certain customers' acceptance and sign-offs on project completion resulting in delays in recovering receivables.

Due to multiple legal proceedings and legacy issues, significant effort and cost are being incurred on compliance, legal and legacy matters. Consequently, the Company continues to incur higher expenses towards legal cost, which amounted to ₹ 2,194.65 Lakhs in FY 25, along with other operational costs including manpower expenses, thereby contributing to the operational losses reflected in the financials.

During the year, favorable arbitration awards (including interest) amounting to ₹ 16,386 lakhs (approx.) were received against three customers. The counter claims worth ₹ 27,735 lakhs filed by the customers against the Company have also been disallowed by the arbitrators. While these customers have right to appeal, two of them have chosen to contest the awards and one customer waived its right to appeal and remitted the full amount of ₹ 418.18 lakhs during the year. The Company remains actively engaged in pursuing recoveries through appropriate legal channels to protect its financial interests.

## Other Updates

During the FY 25, the Company has sold one property for a total consideration of ₹ 635 Lakhs.

The Group has continuously made losses during past years and its net worth has been fully eroded. Further the Group has incurred a net loss of ₹ 2,110.92 lakhs, during the year ended March 31, 2025 (year ended March 31, 2024: net loss ₹ 1,587.36 lakhs) and the Group's current liabilities exceeded its current assets by ₹ 48,174.86 lakhs (March 31, 2024: ₹ 51,748.49 lakhs) as at March 31, 2025. The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression.

The Group had originally entered into multiple long term contracts forming part of 'Hardware Solutions Business' which was transferred to HCL Infotech Limited through Scheme of Arrangement with the remaining term of ongoing contract upto year 2031. Therefore, there is a constructive obligation for the Group to provide operational and financial support to HCL Infotech Limited for execution of its contracts. Further, such transferred business has continued to face challenges in obtaining timely customer acceptance and sign-offs for completed projects, leading to delays in receiving payments. As a result, though the number of contracts reaching closure has increased, there is no significant progress in recovering outstanding receivables from customers. To address this issue, the Group has initiated arbitration proceedings against several customers to recover the dues owed. Accordingly, the management will ensure continuity of operations to support execution of long terms contracts originally assigned to the Group and recovery of dues owned by HCL Infotech Limited that are held up for a long time.

To ensure the necessary financial support for above operations, the board of directors of HCL Corporation Private Limited (a significant promoter shareholder) has approved support in the form of corporate guarantees to banks of ₹ 39,600 lakhs [utilised ₹ 5,705 lakhs (2024 - ₹ 305 lakhs)] and interest free unsecured loans of ₹ 35,500 lakhs [utilised ₹ 35,500 lakhs (2024 - ₹ 35,500 lakhs)] to HCL Infosystems Limited out of total authorized limit of ₹ 1,50,000 lakhs. This had been approved by the shareholders of the Group, vide their resolution dated September 14, 2017. Considering the above support, the management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations including long term contracts transferred to HCL Infotech Limited and liabilities as they fall due in the near future in the normal course of business. Accordingly, these consolidated financial results have been prepared on a going concern basis.

As mentioned several times in our communication including the news releases, the Company cannot invest in any new businesses or in expanding its current operations and consequently, the business of the Company will continue to contract for the foreseeable future.

During the year, the members of the Company in their Annual General Meeting held on 18<sup>th</sup> September 2024, re-appointed Mr. Pawan Kumar Danwar as Non-Independent and Non-Executive Director, liable to retire by rotation.

Subsequently, Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5<sup>th</sup> April 2025 upon completion of her second tenure. To fill the resulting vacancy and ensure compliance with the minimum board composition requirements, the board of directors, at their meeting held on 7<sup>th</sup> February 2025, appointed Ms. Rita Gupta as an Additional Non-Independent and Non-Executive Director, liable to retire by rotation.

# Management Discussion and Analysis

Nurture Technologies FZE (the entity), a foreign step-down subsidiary of HCL Infotech Limited, was registered in Dubai Airport Free Zone, Dubai as on 31<sup>st</sup> July 2004 as a Freezone Company. It was primarily engaged in the activities of developing/ trading of software & hardware systems and IT Solutions. During the year, we approached the Competent Authorities to wind up the entity as there was no business. Accordingly, the entity Nurture Technologies FZE was wound up and stands dissolved as on 3<sup>rd</sup> April 2025.

Furthermore, until 31 March 2024, the Company reported three segments: Hardware Products and Solutions, Distribution, and Learning. However, the business is now reviewed as a single segment—IT support services—and hence, no separate disclosures are required under Ind AS 108.

## Business Risks & Mitigation Measures

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

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy/Update
01	Litigation	Sustainability	<ul style="list-style-type: none"> <li>Non-cooperation of client in project sign off and payments.</li> <li>Visibility on collections before arbitral award is low as settlement with Discoms is difficult.</li> <li>Retention of key resources till the closure of the arbitration.</li> </ul>	<ul style="list-style-type: none"> <li>Parties agreed on an exit plan, whereby HCL has exited / handed over the project on 31 March 2025.</li> <li>The subject under arbitration has shown positive results in terms of movement in some collections towards implementation activities as well as progress of the case.</li> </ul>
02	Litigation	Operational	<ul style="list-style-type: none"> <li>Disputed billed receivables due to Project deliverable issues.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic handling of cases based on established judicial precedents.</li> <li>Provisions are made on case-to-case basis based on management assessment of the legal cases.</li> </ul>
03	Operational	Sustainability	<ul style="list-style-type: none"> <li>Challenges in meeting service delivery commitments.</li> <li>Probability of failure to comply with contractual commitments and related cost in long-term support contracts, due to rapid technological advancements compared to when the contract was started.</li> <li>Uncapped SLA based penalties.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with customers to upgrade key components as a change request for contracts with long term support.</li> <li>Closely monitor SLA compliance and SLA management with customers.</li> </ul>
04	Financial	Continuity	<ul style="list-style-type: none"> <li>Continuity challenges in "Going Concern" status.</li> <li>Group's net worth has been fully eroded.</li> </ul>	<ul style="list-style-type: none"> <li>The Company continues to derive some revenue from Enterprise Distribution – Annual Maintenance Contract (AMC) &amp; balance System Integration Projects.</li> <li>Promoters have been supporting the Company from time to time by extending loans and corporate guarantees.</li> </ul>
05	Operational	Financial	Delay in getting the Income Tax refund.	<ul style="list-style-type: none"> <li>Subject is under litigation and likely to take time.</li> </ul>

## Management Discussion and Analysis

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy/Update
06	Financial	Treasury	Commitments towards Continuation of bank guarantee the Company has issued to various clients.	<ul style="list-style-type: none"> <li>Support from promoter Company to continue the limits from the banks.</li> </ul>
07	Operational	Human Capital	Loss of Human capital in critical operations	<ul style="list-style-type: none"> <li>Management is continuously exploring alternative source for resources including outsourcing to address the attrition.</li> <li>Retention plans in place for identified critical resources.</li> </ul>
08	Operational	Compliances	Legacy litigations in labour cases in HR practices.	<ul style="list-style-type: none"> <li>Company is contesting these cases.</li> </ul>
09	Operational	Compliances	Risk of compliance gaps due to operational scale down, resultant organizational structural changes and attrition of resources.	<ul style="list-style-type: none"> <li>Periodical review of processes and alignment with organizational structure and compliance requirements.</li> <li>Risk assessment before delegating the authority.</li> <li>The financial authorities delegated are capped, within the framework of Board approved delegation.</li> <li>Stringent exception approval process and close monitoring of adherence to Delegation of authority and segregation of duty.</li> </ul>
10	Operational	Compliances	Code of conduct (COC) & ethical issues	<ul style="list-style-type: none"> <li>Independent Whistle Blower Mechanism</li> <li>Strict actions on violations</li> <li>Continuous emphasis on Company's Code of conduct policy</li> <li>Annual / Quarterly certification on compliance</li> <li>Periodic Internal Audit</li> <li>Quarterly Statutory Audit</li> </ul>
11	Operational	Compliances	Risk of shared services agency opting out and continuity issues in finance & accounting process.	<ul style="list-style-type: none"> <li>Retention of key resources as part of HCL's Governance team.</li> </ul>
12	Outsourcing risks	Compliances	Governance in Finance, Accounts and IT function can get complicated with multiple outsourced vendors (activity/ manpower) dependency	<ul style="list-style-type: none"> <li>Documented SOP's</li> <li>Retention of key resources</li> <li>Close supervision</li> <li>Concurrent Audits &amp; Internal Audits</li> <li>Statutory Audits</li> </ul>



# Management Discussion and Analysis

Sl. No.	Category	Risk Item	Risk Description	Risk Management Strategy/Update
13	Operational risks	Financial	Legacy data is available in older version of IT application and requires specialized skills for extracting data (skill set issue due to organization downsizing).	<ul style="list-style-type: none"> <li>Data retention requirements for the legacy period are regularly reviewed.</li> <li>Alternative methods for data availability shall be reviewed considering the data retention requirements of the older applications.</li> <li>ERP financial systems Pre-2010 retired.</li> </ul>
14	Indirect tax	Compliances	Authorities claim cannot be foreseen without any time-limit.	<ul style="list-style-type: none"> <li>The relevant data/documents are generally available in Accounts / IDT repository as well as ERP system.</li> <li>Document retention policies in the Company aligned with the statutory requirements and for Open transactions (legally or otherwise).</li> <li>Required documents are statutorily maintained as per retention policies.</li> <li>Wherever required, suitable follow ups with the parties for necessary documentation / confirmation.</li> </ul>
15	Indirect tax	Compliances	<ul style="list-style-type: none"> <li>Actual liability could be more due to unsuccessful trials.</li> <li>Insufficient funds to meet unsuccessful Litigations</li> </ul>	<ul style="list-style-type: none"> <li>The Company is opting amnesty schemes under various laws, wherever applicable and beneficial.</li> <li>Necessary provisions have been made for balance/open high-risk cases in books of account on the basis of Indirect Tax assessment and also corresponding amount deposited with tax authorities to save the interest. Provisions available are adequate</li> <li>High value litigation matters were opined in the Company's favor by expert advocates.</li> <li>Examination with the expert consultants and implementation of necessary steps to mitigate the liability, if any, on case-to-case basis.</li> </ul>

## Internal Control Systems and their adequacy

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

The Company has an internal audit function designed to review the adequacy of internal control checks in the system

which, covers all significant areas of the Company's operations such as accounting and finance, procurement, business operations, statutory compliances, IT processes, safeguarding of assets and their protection against unauthorized use, among others. The internal audit function performs concurrent audits on high value transactions. The internal audit function also performs the internal audit of the Company's activities based on the internal audit plan, using external independent audit agencies, which is reviewed each year and approved by the board and Audit Committee. The Audit Committee reviews the reports submitted by internal auditors. Suggestions for



# Management Discussion and Analysis

improvements are considered and the Audit Committee follows up on corrective action. Disciplinary action is taken, wherever required, for non-compliance with corporate policies and controls.

### Human Resource Development

As of March 31, 2025, the employee strength of the Company and its subsidiaries stood at 145, while on March 31, 2024, it was 176. Besides full-time employees, the Company also engaged with over 30 associates for various short-term projects across different timelines during the year.

### Disclaimer

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward-looking statements' within the

meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over, which the Company does not have any direct control, could make a significant difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward-looking statements. The Management Discussion and Analysis (MD&A) should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to HCL Infosystems Limited and its subsidiaries on a consolidated basis unless otherwise stated.

## Management Discussion and Analysis

### FINANCIAL COMMENTS ON CONSOLIDATED OPERATIONS FOR THE YEAR ENDED MARCH 31, 2025.

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

The Management Discussion and Analysis on Financial performance relates to Consolidated Financial statements of the Company and its subsidiaries. This should be read in conjunction with the financial statements and related notes to the consolidated accounts for the year ended March 31, 2025.

### RESULTS OF OPERATIONS

₹ in Lakhs

Particulars	FY 25	FY 24
<b>Revenue</b>	2,461.27	3,217.34
Cost of sales	(688.67)	(1,304.46)
<b>Gross margin from continuing operations</b>	<b>1,772.60</b>	<b>1,912.88</b>
Employee benefits expense	(2,097.49)	(2,003.42)
Administration, selling and others	(4,790.65)	(5,494.24)
Depreciation and amortization expense	(47.45)	(53.92)
Gain on foreign exchange fluctuation	4.12	15.64
Provisions/liabilities no longer required written back	1,005.68	1,197.46
<b>Operating Profit/(loss) from continuing operations before doubtful debts provision</b>	<b>(4,153.19)</b>	<b>(4,425.60)</b>
Provision for doubtful debts and other current assets	(61.15)	(83.86)
Investment & other Income	1,536.79	1,768.85
Finance costs	(17.25)	(37.35)
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>	<b>(2,694.80)</b>	<b>(2,777.96)</b>
Exceptional Items gain/ (loss)	583.88	1,196.36
Tax expense	-	(5.76)
<b>Profit/(loss) after tax from continuing operations</b>	<b>(2,110.92)</b>	<b>(1,587.36)</b>
Other comprehensive income/(loss)	(54.89)	4.91
<b>Total comprehensive income/(loss) for the year</b>	<b>(2,165.81)</b>	<b>(1,582.45)</b>

#### Revenue

Consolidated Revenue was ₹ 2,461.27 Lakhs in FY 25 as against ₹ 3,217.34 Lakhs in FY 24. The decline in Revenue is mainly in IT support services on account of certain power projects hand over to customers.

#### Gross Margin

Gross Margin was ₹ 1,772.60 Lakhs in FY 25 as against ₹ 1,912.88 Lakhs in FY 24.

#### Employee Benefits Expense

Employee Benefits Expense was ₹ 2,097.49 Lakhs in FY 25 as against ₹ 2,003.42 Lakhs in FY 24.

#### Administration, Selling and Other Expenses

Administration, Selling & other expenses were ₹ 4,790.65 Lakhs in FY 25 as against ₹ 5,494.24 Lakhs in FY 24. The details of administration, selling & other expenses is as follows:

₹ in Lakhs

Particulars	FY 25	FY 24
Legal, Professional and Consultancy Charges*	2,732.66	2,998.02
Technology Cost	223.48	266.92
Outsourcing cost	119.86	130.83
Rates and Taxes**	100.62	330.97
Retainership Expenses	617.73	680.32
Bank Charges	46.48	118.97
Rent	69.74	67.97
Travelling and Conveyance	72.26	85.19
Office Electricity and Water	6.23	34.64
Provision for Input Tax Credit***	525.99	384.82
Others	275.60	395.59
<b>Total</b>	<b>4,790.65</b>	<b>5,494.24</b>

\* We are continuing to pursue legal remedies by invoking arbitration proceedings to recover outstanding dues from customers. As a result, legal, professional, and consultancy expenses remain high, amounting to ₹ 2,194.65 Lakhs in FY 25. These expenses reflect the ongoing nature of legal action, consistent with the elevated levels seen in prior years (₹ 2,360.91 Lakhs in FY 24).

\*\*During the FY 24, the Company opted for certain amnesty schemes offered by Indirect Tax department resulting in net higher cost of ₹ 177.97 Lakhs.

\*\*\* The unutilised /accumulated GST ITC has been provided for in books of accounts (FY 25- ₹ 525.99 Lakhs and FY 24- ₹ 384.82 Lakhs) to the extent Company does not foresee business opportunities in near future wherein amount can be utilised and against amount outstanding for those particular locations where GST registration has been surrendered.

#### Depreciation

Depreciation was ₹ 47.45 Lakhs in FY 25 as against ₹ 53.92 Lakhs in FY 24.

#### Provisions/Liabilities no longer required written back

Provisions/Liabilities no longer required written back were ₹ 1,005.68 Lakhs in FY 25 as against ₹ 1,197.46 Lakhs in FY 24.

## Management Discussion and Analysis

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

Operating Profit/ (Loss) from continuing operations before Doubtful Debts provision was ₹ (4,153.19) Lakhs in FY 25 as against ₹ (4,425.60) Lakhs in FY 24. Operating loss is lower in FY 25 as compared to FY 24 mainly on account of lower legal, professional & consultancy charges by ₹ 265.36 Lakhs.

### Provision for Doubtful Debts and Other Current Assets

Provisions for doubtful debts and other current assets were ₹ 61.15 Lakhs in FY 25 as against ₹ 83.86 Lakhs in FY 24. Provision for doubtful debts and other current assets are created due to inordinate delays with certain customer acceptances and payments thereof.

### Investment & Other Income

Investment & other income was ₹ 1,536.79 Lakhs in FY 25 as against ₹ 1,768.85 Lakhs in FY 24.

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

### Finance Costs

Finance costs was ₹ 17.25 Lakhs in FY 25 as against ₹ 37.35 Lakhs in FY 24.

### Exceptional Items

Gain from Exceptional items was ₹ 583.88 Lakhs in FY 25 as against ₹ 1,196.36 Lakhs in FY 24 (net gain on sale of properties)

### Profit/ (Loss) after Tax from continuing operations

Profit/ (Loss) after Tax from continuing operations was ₹ (2,110.92) Lakhs in FY 25 as against ₹ (1,587.36) Lakhs in FY 24. FY 25 loss is higher primarily due to:

- Higher GST ITC provision ₹ 141.17 Lakhs (FY 25: ₹ 525.99 Lakhs; FY 24: ₹ 384.82 Lakhs),
- Lower Exceptional gain (Profit on sale of properties) ₹ 612.48 Lakhs (FY 25: ₹ 583.88 Lakhs; FY 24: ₹ 1,196.36 Lakhs), and
- Lower investment & other income ₹ 232.06 Lakhs (FY 25: ₹ 1,536.79 Lakhs; FY 24: ₹ 1,768.85 Lakhs)

partially offset by:

- Lower legal, professional and consultancy charges ₹ 265.36 Lakhs (FY 25: ₹ 2732.66 Lakhs; FY 24: ₹ 2,998.02 Lakhs), and
- Lower rates and taxes ₹ 230.35 Lakhs (FY 25: ₹ 100.62 Lakhs; FY 24: ₹ 330.97 Lakhs).

## FINANCIAL CONDITION

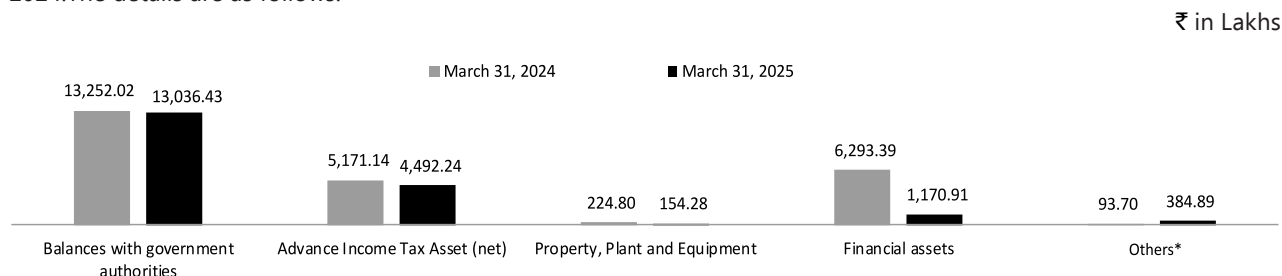
₹ in Lakhs

Particulars	March 31, 2025	March 31, 2024
<b>ASSETS</b>		
Non-current assets	19,238.75	25,035.05
Current assets	24,071.82	20,525.19
Assets held for sale	10.00	10.00
<b>Total Assets</b>	<b>43,320.57</b>	<b>45,570.24</b>
<b>EQUITY AND LIABILITIES</b>		
Net worth	(29,097.76)	(26,931.95)
Non-current liabilities	161.65	218.51
Current liabilities	72,256.68	72,283.68
<b>Total Liabilities</b>	<b>43,320.57</b>	<b>45,570.24</b>

## Management Discussion and Analysis

### Non-Current Assets

Non-current assets were ₹ 19,238.75 Lakhs as at March 31, 2025 as compared to ₹ 25,035.05 Lakhs as at March 31, 2024. The details are as follows:



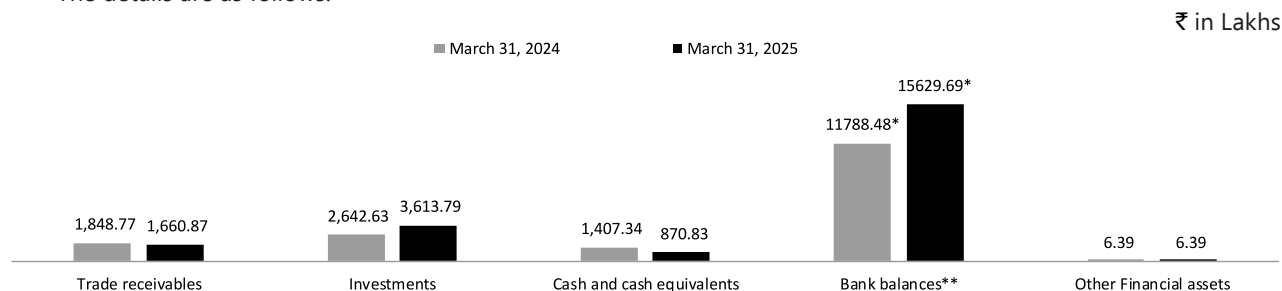
Financial assets were lower in FY 25, primarily due to a decrease in bank deposits of ₹ 5,493.57 Lakhs, arising from the reclassification of deposit from non-current assets to current assets. This decline was partially offset by an increase of ₹ 360.81 Lakhs in margin money held with banks.

\*Other includes intangible assets, prepaid expenses etc.

### Current Assets

Current assets were ₹ 24,071.82 Lakhs as at March 31, 2025 as compared to ₹ 20,525.19 Lakhs as at March 31, 2024. The details are as follows:

- Inventories were ₹ 29.43 Lakhs as at March 31, 2025 as compared to ₹ 37.08 Lakhs as at March 31, 2024.
- Financial Assets were ₹ 21,781.57 Lakhs as at March 31, 2025 as compared to ₹ 17,693.61 Lakhs as at March 31, 2024. The details are as follows:



\*In an Appeal under the Arbitration & Conciliation Act filed by MTNL (in CWG Project), an adhoc amount of ₹ 12,020.64 Lakhs (net of TDS ₹ 321.09 Lakhs) had been released by the Hon'ble High Court of Delhi to HCL Infotech Limited against a bank guarantee which is included in bank balances. Additionally, during the FY 25, a part payment of an interim arbitration award amounting to ₹ 1,330.52 Lakhs (including interest) was received from a customer against an equivalent bank guarantee.

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

- Other Current Assets were ₹ 2,260.82 Lakhs as at March 31, 2025 as compared to ₹ 2,794.50 Lakhs as at March 31, 2024.

### Net Worth

The Net-worth of the Company was ₹ (29,097.76) Lakhs as at March 31, 2025 as against ₹ (26,931.95) Lakhs as at March 31, 2024.

### Non-Current Liabilities

Non-current liabilities were ₹ 161.65 Lakhs as at March 31, 2025 as compared to ₹ 218.51 Lakhs as at March 31, 2024.

## Management Discussion and Analysis

### Net Borrowings

Net borrowings were ₹ 14,863.59 Lakhs as at March 31, 2025 as compared to ₹ 14,016.97 Lakhs as at March 31, 2024.

₹ in Lakhs

Particulars	March 31, 2025	March 31, 2024
Borrowings	35,500.00	35,500.00
Less : Cash, Bank & Investments	20,636.41	21,483.03
Net Borrowings	<b>14,863.59</b>	<b>14,016.97</b>

### Current Liabilities

Current liabilities were ₹ 72,256.68 Lakhs as at March 31, 2025 as compared to ₹ 72,283.68 Lakhs as at March 31, 2024. The details are as follows:

₹ in Lakhs



\* **Financial Liabilities (iii) Other Financial Liabilities** includes Employee benefits payable, Deposits, etc.

\*\* **Other Current Liabilities** includes amount received on account of various interim arbitration awards (refer note given above under head current assets), deferred revenue, advances received from customers and statutory dues payable.

### CASH FLOW STATEMENT

A summary of cash statement is given below:

(₹ in Lakhs)

Particulars	FY 25	FY 24
Opening balance of cash and cash equivalents	1,407.34	1,974.54
Net cash flow from operating activities	(2,820.50)	(3,617.90)
Net cash flow from investing activities	2,289.61	3,077.94
Net cash flow from financing activities	(17.25)	(37.34)
Effect of foreign exchange on cash and cash equivalents	11.63	10.10
Cash and cash equivalents at the end of the year	870.83	1,407.34

### Cash flow from operations

In FY 25, the Company used ₹ 2,820.50 Lakhs for operations as against ₹ 3,617.90 Lakhs in FY 24.

(₹ in Lakhs)

Particulars	FY 25	FY 24
Operating profit/ (loss) before changes in operating assets and liabilities	(4,388.26)	(4,990.84)
Changes in operating assets and liabilities	809.59	426.27
Cash generated/(used) from operations	(3,578.67)	(4,564.57)
Net Tax Refund/(Paid including interest)	758.17	946.67
Net cash generated/(used) in operating activities	(2,820.50)	(3,617.90)

### Cash flow from investing activities

In FY 25, the Company generated ₹ 2,289.61 Lakhs from investing activities as against ₹ 3,077.94 Lakhs in FY 24.

(₹ in Lakhs)

Particulars	FY 25	FY 24
<b>Cash generated from investing activities</b>		
Proceeds from sale of current investments	13,242.90	17,815.32
Interest income	846.62	1,291.48
Redemption of Bank deposits	1,453.63	-
Proceeds from sale of properties, plant and equipment	635.03	0.61
Movement in margin money account	166.25	118.38
<b>Total Cash generated from investing activities (A)</b>	<b>16,344.43</b>	<b>19,225.79</b>



## Management Discussion and Analysis

(₹ in Lakhs)

Particulars	FY 25	FY 24
<b>Cash used in investing activities</b>		
Investment in Mutual Funds	(14,024.30)	(15,799.21)
Purchase of property, plant and equipment (including intangible assets)	(21.38)	(18.99)
Investment in Capital work in progress	(9.14)	-
Investment in Bank Deposits	-	(329.65)
<b>Total Cash used in investing activities (B)</b>	<b>(14,054.82)</b>	<b>(16,147.85)</b>
<b>Cash flow from investing activities (A+B)</b>	<b>2,289.61</b>	<b>3,077.94</b>

### Cash flow from financing activities

In FY 25, the Company used ₹ 17.25 Lakhs for financing activities as against ₹ 37.34 Lakhs in FY 24.

### Segment Reporting

The Company had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, the business is now reviewed as a single segment—IT support services—and hence, no separate disclosures are required under Ind AS 108.

### KEY FINANCIAL RATIOS:

Particulars	FY 25	FY 24
Debtors Turnover (Days)	246.30	209.74
Inventory Turnover (Days)	4.36	4.21
Current Ratio (times)	0.33	0.28
Operating Profit Margin (%)	-168.74%	-137.55%
Net Profit Margin (%)	-85.77%	-49.34%

- Debtors Turnover days were at 246.30 as at March 31, 2025 as against 209.74 as at March 31, 2024 due to lower Revenue in FY 25.
- Inventory Turnover days were 4.36 as at March 31, 2025 as against 4.21 as at March 31, 2024 due to lower Revenue in FY 25.
- Debt Equity Ratio was negative as at March 31, 2025 and March 31, 2024 due to negative Net-worth.
- Operating Profit Margin was at (168.74%) as at March 31, 2025 as against (137.55%) as at March 31, 2024. (refer note given above under head operating profit/ (Loss) from continuing operations) before doubtful Debts provision).
- Interest coverage was negative on account of negative EBIT in FY 25 & FY 24.
- Net Profit Margin was (85.77%) for FY 25 as against (49.34%) for FY 24. (Refer note given above under head Profit/ (Loss) after Tax from continuing operations.

# Board Report

**Dear Shareholders,  
HCL Infosystems Limited**

Your Board of Directors are pleased to present the Thirty Ninth (39<sup>th</sup>) Annual Report on the Business and Operations of the Company, together with the audited Financial Statements, both standalone and consolidated, for the financial year ended March 31, 2025.

## Financial Highlights

The summary of the financial performance of the Company for the Financial Year ended March 31, 2025, as compared to the previous year is as below:

₹ in Lakhs

Particulars	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Net Sales and other income	5,007.86	6,199.29	1084.35	1,783.89
Loss before exceptional items Interest, depreciation and tax	(2,630.10)	(2,686.89)	(1,419.17)	(1,151.18)
Finance charges	17.25	37.35	17.25	43.24
Depreciation and amortization	47.45	53.92	47.45	52.81
Exceptional items gain/(Loss)	583.88	1,196.36	(701.37)	(307.64)
Profit/(Loss) before tax	<b>(2,110.92)</b>	<b>(1,581.60)</b>	<b>(2,185.14)</b>	<b>(1,554.88)</b>
Provision for taxation: current	-	5.76	-	-
<b>Net Profit/(loss) after tax</b>	<b>(2,110.92)</b>	<b>(1,587.36)</b>	<b>(2,185.14)</b>	<b>(1,554.88)</b>

## State of Company's Affairs/Performance

The consolidated net revenue and other income of the Company for the financial year ended March 31, 2025, was ₹ 5,007.86 lakhs as against ₹ 6,199.29 lakhs during the previous financial year ended March 31, 2024. The consolidated loss before tax for the financial year ended, March 31, 2025, was ₹ 2,110.92 lakhs as against loss of ₹ 1,581.60 lakhs during the previous financial year ended March 31, 2024.

The net revenue and other income on standalone basis for the financial year ended, March 31, 2025, was ₹ 1,084.35 lakhs as against ₹ 1,783.89 lakhs during the previous financial year ended March 31, 2024. The loss before tax for the financial year ended, March 31, 2025, was ₹ 2,185.14 lakhs as against loss of ₹ 1,554.88 lakhs during the previous financial year ended March 31, 2024.

## Dividend

Your Board of Directors do not recommend any dividend for the financial year 2024-25.

## Operations

A detailed analysis and insight into the financial performance and operations of your Company for the year ended March 31, 2025, is provided in the Management Discussion and Analysis, forming part of the Annual Report.

## Share Capital

As on March 31, 2025, the authorized share capital of the Company stands at ₹ 1,756,000,000 (Rupees One Hundred Seventy-Five Crores Sixty Lakhs Only) divided into (i) 853,

000, 000 (Eighty-Five Crores and Thirty Lakhs) equity shares having a face value of ₹ 2 each and (ii) 500,000 (Five Lakhs) Preference Shares having a face value of ₹ 100 each.

As on March 31, 2025, the issued and subscribed share capital stands at ₹ 658,421,856 (Indian Rupees Sixty-Five Crores Eighty-Four Lakhs Twenty-One Thousand Eight Hundred and Fifty-Six only) divided into 329,210,928 (Thirty-Two Crores Ninety-Two Lakhs Ten Thousand Nine Hundred and Twenty-Eight) equity shares of face value of ₹ 2 each.

As on March 31, 2025, paid up equity share capital stands at ₹ 658,419,856 (Indian Rupees Sixty-Five Crores Eighty-Four Lakhs Nineteen Thousand Eight Hundred and Fifty-Six only) divided into 329,209,928 (Thirty-Two Crores Ninety-Two Lakhs Nine Thousand Nine Hundred and Twenty-Eight) equity shares of face value of ₹ 2 each.

## Transfer to Reserves

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

## Credit Rating

The Company has following credit ratings:

S. No.	Facilities	(₹ in Lakhs)	Rating
1	Long-term/short term bank facilities	11,687	CARE BBB+; Stable/CARE A2
2	Long-term/short term bank facilities	6,500	CARE AA- (CE); Stable/ CARE A1+ (CE)) #

# Rating is based on the credit enhancement in the form of

## Board Report

unconditional and irrevocable corporate guarantee provided by HCL Corporation Private Limited, the promoter Company.

### Deposits

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

### Listing

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

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

The annual listing fees for the year have been paid to all these Stock Exchanges within the stipulated time.

### Board of Directors & Key Managerial Persons (KMP)

As on March 31,2025, the composition of the Board of Directors ("Board") is as follows:

Sr. No	Name of the Director	Category
1	Dr. Nikhil Sinha	Chairman of the Board (Independent Director)
2	Ms. Ritu Arora	Independent Director
3	Mr. Kirti Kumar Dawar	Independent Director
4	Mr. Raghu Venkat Chivukula	Independent Director
5	Mr. Neelesh Agarwal	Non-Executive Non-Independent Director
6	Mr. Pawan Kumar Danwar	Non-Executive Non-Independent Director
7	Ms. Rita Gupta	Non-Executive Non-Independent Director

The Board is duly constituted with non- executive directors.

Ms. Rita Gupta has been appointed as an additional director (Non-executive & non-independent), liable to retire by rotation on the Board of the Company w.e.f. 7<sup>th</sup> February 2025.

Ms. Rita Gupta has been appointed as director, w e.f. 22<sup>nd</sup> March 2025 with the approval of shareholders of the Company by way of postal ballot.

Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5<sup>th</sup> April 2025 upon completion of her second tenure.

The requisite certificate(s) from the practicing company secretary confirming that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority is attached to the corporate governance report.

### Key Managerial Persons

During the under review, Ms. Komal Bathla resigned from the position of Company Secretary & Compliance Officer w.e.f. the closing hours of 25<sup>th</sup> February 2025.

**As on March 31,2025 below are the Key Managerial Personnel.**

Mr. Alok Sahu	Chief Financial Officer
Mr. Raj Kumar Sachdeva	Manager

Ms. Twinkle Monga appointed as a Company Secretary & Compliance Officer w.e.f 23<sup>rd</sup> May, 2025. The said appointment is done in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Director Retiring by Rotation

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

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

### Postal Ballot

During the year under review, the Company conducted postal ballot for the following matter as follows:

**Appointment of Ms. Rita Gupta (DIN:00899240) as Non-Independent and Non-Executive Director of the Company liable to retire by rotation.**

The board of directors have appointed CS Vineet K Chaudhary, Managing Partner of M/s VKC & Associates, Practicing Company Secretary having membership No F5327 and CP No 4548 and in case of his failure, CS Mohit K Dixit having membership no F12361 and CP No. 17827 Partner of M/s VKC & Associates,, a Practicing Company Secretary, as the scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

Due process was followed to conduct the postal ballot in accordance with Section 110 of the Companies Act, 2013,

## Board Report

and other applicable provisions, if any, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with general circular number nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021, 03/2022 dated May 05, 2022, 11/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs ("MCA Circulars")

Mode	Total Valid Votes		Votes in Favor			Votes Against		
	Voters	No of votes	Voters	No of votes	%	Voters	No of votes	%
Postal Ballot (Remote e-voting)	519	207288303	469	207235519	99.975	50	52784	0.025

### Committees of Board

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

### Composition of Accounts and Audit Committee

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

Name	Category
Dr. Nikhil Sinha (Chairperson)	Independent & Non-executive
Ms. Ritu Arora*	Independent & Non-executive
Mr. Raghu Venkat Chivukula	Independent & Non-executive
Mr. Kirti Kumar Dawar	Independent & Non-executive
Mr. Pawan Kumar Danwar	Non-Independent & Non-executive

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5<sup>th</sup> April 2025 upon completion of her second tenure.

The Board had accepted all the recommendations of the Accounts and Audit Committee during the financial year 2024-25.

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

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

The Company had appointed an external agency conduct the evaluation of the board, committees and individual directors including independent directors, as per the assessment criteria and norms designed by the Company's Human Resource Department and approved by the Board's

Nomination and Remuneration Committee. The evaluation reports were reviewed by an Independent HR consultant, who shared the results with the Board Chairman – Dr. Nikhil Sinha.

Independent Directors in their separate meeting held on 7<sup>th</sup> February, 2025 reviewed the performance of Non Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

### Criteria/Policy on Appointment and Remuneration

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

[https://hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration\\_policy.pdf](https://hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration_policy.pdf)

### Board Meetings

During the financial year 2024-25, 4 (Four) Board meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The details of Board meetings are stated in the corporate governance report which forms part of the Annual Report.

The Board meetings were conducted in due compliance with and following the procedures prescribed in the Companies Act, 2013, SEBI Listing Regulations and applicable secretarial standards.

### Corporate Social Responsibility (CSR)

Pursuant to the provision of section 135 of the Companies Act, 2013, the Company no longer meets any of the criteria required for CSR i.e. net worth criteria, turnover criteria, or net profit criteria. Therefore, the provision of CSR is not applicable.

## Board Report

### Corporate Governance

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

### Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on the financial year ended 31<sup>st</sup> March 2025 and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Statement on Declaration given by Independent Directors

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

### Particulars of Employees and related disclosures

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

#### (a) The ratio of the remuneration of each director to the median remuneration of the employees of the

**Company for the financial year and the key parameters for any variable component of remuneration availed by the directors: NA\***

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

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

S. No.	Name	Designation	%age increase in remuneration#
1.	Mr. Alok Sahu	Chief Financial Officer	7%
2.	Mr. Raj Kumar Sachdeva	Manager	7%
3.	Ms. Komal Bathla*	Company Secretary	14%

\*Ms. Komal Bathla - Resigned from position w.e.f. closing hour of 25<sup>th</sup> February, 2025

# Calculated on cost to the Company basis.

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

There was an increase of 12% in the median remuneration of the employees in the financial year 2024-25.

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

The number of permanent employees on the rolls of the Company and its subsidiaries at the end of the financial year was 116.

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

The average percentage increase in the salaries of employees in the financial year 2024-25 is 8%.

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

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

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



## Board Report

### Particulars of Loans, Guarantees or Investments

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

### Related Party Transactions

During the financial year 2024-25, all the related party transactions entered into by the Company were in the ordinary course of business and at arm's length basis. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Company has employed an external firm of Chartered Accountants to review and evaluate the basis of such agreements and opine on their fairness

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

[https://hclinfosystems.in/wp-content/uploads/2016/09/Related-Party-transaction\\_policy.pdf](https://hclinfosystems.in/wp-content/uploads/2016/09/Related-Party-transaction_policy.pdf)

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

### Internal Control Systems and their adequacy

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

The Company has an internal audit function designed to review the adequacy of internal control checks in the system which, covers all significant areas of the Company's operations such as accounting and finance, procurement, business operations, statutory compliances, IT processes, safeguarding of assets and their protection against unauthorized use, among others. The internal audit function performs concurrent audits on high value transactions. The internal audit function also performs the internal audit of the Company's activities based on the internal audit plan, using external independent audit agencies, which is reviewed each year and approved by the Board and Audit Committee. The Audit Committee reviews the reports submitted by internal auditors. Suggestions for improvements are considered and the Audit Committee follows up on corrective action. Disciplinary action is taken, wherever required, for non-compliance with corporate policies and controls.

### Adequacy of Internal Financial control with respect to Financial Statements

The Company has in place adequate internal financial

controls with respect to financial statements. No material weakness in the design or operation of such controls was observed during the year.

### Vigil Mechanism/Whistle Blower Policy

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

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

[https://www.hclinfosystems.in/wp-content/uploads/2016/09/Whistleblower\\_Policy\\_new.pdf](https://www.hclinfosystems.in/wp-content/uploads/2016/09/Whistleblower_Policy_new.pdf)

### Risk Management Policy

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

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

### Auditors & Auditors' Report

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

The report given by M/s BSR & Associates LLP, Chartered Accountants, on the financial statements of the Company for the financial year 2024-25 is part of the Annual Report. There was no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act.

### Secretarial Audit Report

The secretarial audit as per Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## Board Report

was carried out by M/s. VKC & Associates, Practicing Company Secretaries for the financial year 2024-25.

The report given by the Secretarial Auditor of the Company and its material subsidiary HCL Infotech Limited forms an integral part of this Board's Report. There was no qualification, reservation or adverse remark or disclaimer in their report.

During the year under review, the Secretarial Auditor did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Accounts & Audit Committee recommended and the Board of Directors appointed M/s. VKC & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for a period of further five years from 2025-26 to 2029-30 subject to the approval of the shareholders in the Annual General Meeting in compliance with the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI Notification dated December 12, 2024 read with provisions of Section 204 of the Companies Act, 2013 & Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

### Material Unlisted Subsidiary

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

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

### Compliance with Secretarial Standards

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

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

#### A) Conservation of energy-

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

- (ii) the steps taken by the company for utilizing alternate sources of energy; NA

- (iii) the capital investment on energy conservation equipment's; NA

#### B) Technology absorption-

- (i) the efforts made towards technology absorption- Nil
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution- Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil
  - (a) the details of technology imported- NA
  - (b) the year of import; - NA
  - (c) whether the technology been fully absorbed- NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof- NA and

#### C) The expenditure incurred on Research and Development: NIL

#### D) Foreign exchange earnings and Outgo-

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

(₹ in lakhs)

Particulars	F.Y. 2024-25
Foreign exchange earnings	-
Foreign exchange outgo	214.08

### Consolidated Financial Statement

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

### Subsidiaries, Joint Ventures and Associate Companies

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

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

### Annual Return

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

<https://hclinfosystems.in/wp-content/uploads/2025/05/Annual-Return-2024-25.pdf>.



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

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been duly constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2024-25, no complaints were received by the Company related to sexual harassment.

**Investor Education and Protection Fund (IEPF)**

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

There were no unclaimed and unpaid dividends amount / the corresponding shares which were due to be transferred to IEPF/ IEPF suspense account during the financial year 2024-25.

**Insider Trading Code**

The code of conduct to regulate, monitor and report by designated persons and immediate relatives is in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ('the PIT Regulations'). The said Code lays down guidelines for designated persons on the procedures to be followed and disclosures to be made in dealing with the securities of the Company and cautions them on consequences of non-compliances.

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

**General**

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
4. There was no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
5. Details of the Employees Stock Option Scheme Section as required under Section 62(1)(b) of the Act read with rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014.
6. There is no change in the nature of the business of the Company.
7. There are no material changes or commitments, if any, affecting the financial position of the Company.
8. The company is not required to maintain cost records as per sub section (1) of Section 148 of the Companies Act, 2013.
9. No application was made or pending against the Company under Insolvency and Bankruptcy Code, 2016 (IBC).
10. There has been no case of one-time settlement with Bank or Financial Institution during the year as per rule Companies (Accounts) Rules, 2014 hence no requirement to provide the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

**Acknowledgements**

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

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

**On behalf of the Board of Directors**

**Raghu Venkat Chivukula**  
(Director)  
DIN : 00520704

**Pawan Kumar Danwar**  
(Director)  
DIN : 06847503

Place : Noida  
Date : 23<sup>rd</sup> May 2025

**FORM NO. AOC.2**

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

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

- 1. Details of contracts or agreements or transactions not at arm's length basis:** Not applicable, there were no transactions or arrangements which were not at arm's length, and which were not in the ordinary course of business during financial year 2024-25. The Company has laid down policies and processes/ procedures to ensure compliance to the Act. In addition, the transactions are placed before the Audit Committee on a quarterly basis.

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

- 2. Details of material contracts or agreements or transactions at arm's length basis:** Not Applicable, there were no material contracts or arrangements with related parties during financial year 2024-25.

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

**On behalf of the Board of Directors**

**Raghu Venkat Chivukula**  
(Director)  
DIN : 00520704

**Pawan Kumar Danwar**  
(Director)  
DIN : 06847503

Place: Noida  
Date: 23<sup>rd</sup> May 2025

# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

## 2. BOARD OF DIRECTORS

- (i) As on 31<sup>st</sup> March 2025, the Board of Directors of the Company comprises seven directors, out of which, four are Independent Directors and two women directors. The composition of the Board is in conformity with Regulation 17(1) and 17(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
- (ii) None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees as specified in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the public Companies in which he is a director. Necessary disclosures regarding Committee position in other public Companies as on 31<sup>st</sup> March 2025 have been made by the Directors.
- (iii) All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.
- (iv) The names and categories of the directors on the board, their attendance at Board Meetings held during the financial year 2024-25 and the last Annual General Meeting, and the number of directorship and committee chairmanship/membership held by them in other public Companies is given below. Other directorship does not include that of private limited Companies, foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013. Chairmanship/membership of Board Committees includes only Audit Committee and Stakeholders' Relationship Committee.

Names	Category	No. of Board Meetings during 2024-25		Whether attended last AGM held on 18 <sup>th</sup> September, 2024	No. of Directorships in other public companies as on 31 <sup>st</sup> March, 2025	Name of other listed company and the category of Directorship as on 31 <sup>st</sup> March, 2025	No. of Committee positions held in other public companies as on 31 <sup>st</sup> March, 2025	
		Held	Attended				Chairperson	Member
Dr. Nikhil Sinha (Chairman)	Independent & Non-executive Director	4	3	Yes	-	-	-	-
Ms. Ritu Arora*	Independent & Non-executive Director	4	4	Yes	4	-	-	2
Mr. Pawan Kumar Danwar	Non-independent & Non-executive Director	4	3	Yes	-	-	-	-
Mr. Neelesh Agarwal	Non-independent & Non-executive Director	4	3	Yes	1	-	-	-
Mr Raghu Venkat Chivukula	Independent & Non-executive Director	4	4	Yes	-	-	-	-

# Report on Corporate Governance

Names	Category	No. of Board Meetings during 2024-25		Whether attended last AGM held on 18 <sup>th</sup> September, 2024	No. of Directorships in other public companies as on 31 <sup>st</sup> March, 2025	Name of other listed company and the category of Directorship as on 31 <sup>st</sup> March, 2025	No. of Committee positions held in other public companies as on 31 <sup>st</sup> March, 2025	
		Held	Attended				Chairperson	Member
Mr. Kirti Kumar Dawar	Independent & Non-executive Director	4	4	Yes	-	-	-	-
Ms. Rita Gupta**	Non-independent & Non-executive Director	1	1	No	4	2	-	2

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5th April 2025 upon completion of her second tenure.

\*\* Ms. Rita Gupta was appointed as Non-Independent and Non-Executive Director of Company w.e.f. 7<sup>th</sup> February 2025, liable to retire by rotation. Appointment of Ms. Rita Gupta has been regularised by the shareholders through postal ballot w.e.f. 22<sup>nd</sup> March, 2025.

- (v) Four Board Meetings were held during the financial year 2024-25 and the gap between the two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

22 <sup>nd</sup> May 2024	8 <sup>th</sup> August 2024
14 <sup>th</sup> November 2024	7 <sup>th</sup> February 2025

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

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

- Annual operating plans and budgets and all updates.
- Capital budgets and all updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or resignation of the chief financial officer and the company secretary, if any.
- Show cause, demand, prosecution notices and penalty notices which are materially important, if any.
- Sale of investments, subsidiaries which are material in nature and not in normal course of business, if any.
- Discussion and review of Business Operations.
- Advancement of inter-corporate loan to subsidiaries, if any.
- Issue of corporate guarantees(s) on behalf of subsidiaries, if any.
- Minutes of meetings of Board of Directors of subsidiary Companies.
- Review of operations of subsidiary Companies.
- Review of related party transactions.
- Review of statutory compliances.

## 3. COMMITTEES OF THE BOARD

### (i) ACCOUNTS AND AUDIT COMMITTEE:

- The Accounts and Audit Committee of the Company was constituted in August' 1998.
- The Committee is governed by a Charter.

## Report on Corporate Governance

- c. The brief description of the terms of reference of the Audit Committee inter-alia include the following:
1. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment and, if required, the replacement or removal of the auditors of the Company.
  2. Approval of payment to statutory auditors for any other services rendered by them.
  3. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
  4. To review and monitor the auditor's independence and performance, and effectiveness of audit process.
  5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report under Companies Act, 2013.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgement by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements related to financial statements.
    - Disclosure of any related party transactions.
    - Modified opinion(s) in the draft audit report.
  6. Review, with the management, the quarterly financial statements before submission to the Board for approval.
  7. Examination of the financial statements and the auditors' report thereon.
  8. Evaluation of internal financial controls and risk management systems.
  9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  10. Reviewing and monitoring, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue, or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter.
  11. Approval or any subsequent modification of transactions of the Company with related parties.
  12. Scrutiny of inter-corporate loans and investments.
  13. Valuation of undertakings or assets of the Company, wherever necessary.
  14. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  15. Discussion with internal auditors of any significant findings and follow-up thereon.
  16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  19. To review the functioning of the Whistle Blower mechanism.
  20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.

## Report on Corporate Governance

21. To review the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. The Audit Committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the chief internal auditor.
  - statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
24. To perform any other function as may be assigned by the Board from time to time
- d. The composition, powers, roles and the terms of reference of the Committee are in terms of the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Committee members have reasonable knowledge of finance and accounting, and three members possess financial and accounting expertise.
- e. The composition of the Accounts and Audit Committee and details of meetings attended by its Chairman/ members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Dr. Nikhil Sinha (Chairman)	Independent & non-executive	4	3
Ms. Ritu Arora (Member)*	Independent & non-executive	4	4
Mr. Raghu Venkat Chivukula (Member)	Independent & non-executive	4	4
Mr. Kirti Kumar Dawar (Member)	Independent & non-executive	4	4
Mr. Pawan Kumar Danwar (Member)	Non-Independent & non-executive	4	4

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5th April 2025 upon completion of her second tenure.

- f. The Audit Committee met Four (4) times during the financial year 2024-25 on the following dates:
 

22 <sup>nd</sup> May 2024	8 <sup>th</sup> August 2024
14 <sup>th</sup> November 2024	7 <sup>th</sup> February 2025
- g. The previous Annual General Meeting of the Company was held on 18<sup>th</sup> September, 2024 and it was attended by the Chairman of the Committee.
- h. The Company Secretary of the Company acts as Secretary to the Committee.
- i. The Board had accepted all the recommendations of the Audit committee of the board during the financial year 2024-25.

### (ii) NOMINATION AND REMUNERATION COMMITTEE:

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

## Report on Corporate Governance

### Charter of the Committee:

The purpose of the Committee is to:

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



## Report on Corporate Governance

- d. The composition of the Nomination and Remuneration Committee and the details of meetings attended by its chairperson/members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Ms. Ritu Arora (Chairperson)*	Independent & non-executive	4	4
Dr. Nikhil Sinha (Member)	Independent & non-executive	4	4
Mr. Pawan Kumar Danwar(Member)	Non-independent & non-executive	4	3

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5th April 2025 upon completion of her second tenure.

Mr. Raghu Venkat Chivukula appointed as a new chairman of the committee w.e.f 6th April 2025.

- e. The Committee met Four (4) times during the financial year 2024-25 on the following dates:

22 <sup>nd</sup> May 2024	8 <sup>th</sup> August 2024
14 <sup>th</sup> November 2024	7 <sup>th</sup> February 2025

- f. The Board had accepted all the recommendations of the Nomination and Remuneration Committee during the financial year 2024-25.
- g. There is no change in the senior management during the financial year.
- h. **Compensation policy for Non-executive Directors (NEDs):**

Within the ceiling of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013 and after obtaining the approval of the shareholders, the Non-executive Directors are paid a commission, the amount whereof is determined based on the policy adopted by the Company laying down the criteria relating to their positions on the Board and the various Board Committees. However, in view of the losses incurred by the Company during the year ended 31<sup>st</sup> March 2025, no commission be paid to Non-executive Directors for the year ending 31<sup>st</sup> March 2025.

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

- i. **Details of remuneration paid / payable to all the Directors for the period from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March 2025**

(₹ in Lakhs)

Name	Salary & Allowances	Perquisites	Performance Linked Bonus	Commission	Sitting Fees
Dr. Nikhil Sinha	NIL	NIL	NIL	NIL	9.00
Ms. Ritu Arora*	NIL	NIL	NIL	NIL	11.25
Mr. Pawan Kumar Danwar	NIL	NIL	NIL	NIL	NIL
Mr. Neelesh Agarwal	NIL	NIL	NIL	NIL	NIL
Mr. Raghu Venkat Chivukula	NIL	NIL	NIL	NIL	6.75
Mr. Kirti Kumar Dawar	NIL	NIL	NIL	NIL	7.50
Ms. Rita Gupta**	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>34.5</b>

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5th April 2025 upon completion of her second tenure.

\*\*Ms. Rita Gupta appointed as Additional Director, designated as Non-Independent and Non-Executive Director, w.e.f. 7<sup>th</sup> February, 2025. Appointment of Ms. Rita Gupta has been regularized by shareholders of the Company by postal ballot dated 22<sup>nd</sup> March, 2025.

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

## Report on Corporate Governance

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

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

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

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

m. There were no pecuniary relationships or material, financial and commercial transactions of the non-executive directors and the senior management vis-à-vis the Company.

n. As on 31<sup>st</sup> March 2025, Ms. Rita Gupta holds 2397 Shares in the Company. No other Director holding any shares of the Company.

**(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

a. The Stakeholders Relationship Committee was constituted to oversee and review all matters connected with the transfer and transmission of shares of the Company and the matters related thereto and redressal of shareholders/investors' complaints.

b. The role of the committee shall inter-alia include the following:

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

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

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kirti Kumar Dawar (Chairman)	Independent & non-executive	1	1
Mr. Pawan Kumar Danwar(Member)	Non-independent & non-executive	1	1
Mr. Neelesh Agarwal(Member)	Non-independent & non-executive	1	1

d. During the financial year 2024-25, the Committee met on 22<sup>nd</sup> May, 2024.

## Report on Corporate Governance

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

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

\* Ms. Komal Bathla resigned from the position of Company Secretary & Compliance officer w.e.f February 25,2025.

Ms. Twinkle Monga appointed as a Company Secretary & Compliance Officer w.e.f 23<sup>rd</sup> May,2025. The said appointment is done in accordance with the provisions of Companies Act,2013 and SEBI LODR,2015.

### f. Investor Grievances / Complaints

The details of the Investor Complaints during the Financial Year ended 31<sup>st</sup> March 2025 are as follows:

Opening Balance	Number of shareholders' complaints received	No. of Complaints Resolved	Number not solved to the satisfaction of shareholders	Number of pending complaints.
0	1	0	0	1

The Company has received the compliant on March 30<sup>th</sup>,2025. However, the Complaint has been resolved within a prescribed timeline.

### (iv) OTHER COMMITTEES

#### a. FINANCE COMMITTEE

- The Company constituted a Committee of Director in 1999 and renamed as Finance Committee in 2011.
- The Committee is governed by a Charter.
- The terms of reference of the Committee inter alia includes: -
  - Capital structure plans and specific equity and debt financings:
  - Review the Corporate Guarantee/bonds provided by the Company either directly or through banks in connection with the Company's business, to any third parties and recommend to the Board.
  - Approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
  - The Committee shall review annual budgets and other financial estimates and provide its recommendations to the Board.
  - The Committee shall on a quarterly basis review the actual performance of the Company against the plans.
  - Capital expenditure plans and specific capital projects
  - Evaluate the performance of and returns on approved capital expenditure
  - Customer financing
  - Mergers, acquisitions, buy backs, demerger and divestitures
  - Evaluate the performance of acquisitions
  - Fresh/further Investment in subsidiaries / JVs / branches
  - Evaluate the performance of subsidiaries / JVs / branches
  - Plans and strategies for managing the foreign exchange exposure
  - Investment of surplus funds:
  - The Committee shall recommend dividend policy to the Board.
  - Insurance coverage and program
  - Perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.
  - Delegate authorities from time to time to the executives/authorized persons to implement the decisions of the Committee within the powers authorized above
  - Review of the total BG issued V/s BG Limits

## Report on Corporate Governance

4. The composition of the Finance Committee and the details of meetings attended by its chairperson/ members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Dr. Nikhil Sinha (Chairman)	Independent & Non-executive	2	2
Mr. Pawan Kumar Danwar(Member)	Non-Independent & Non-executive	2	2
Ms. Ritu Arora*(Member)	Independent & Non-executive	2	2

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5th April 2025 upon completion of her second tenure.

5. The Committee met two times during the financial year 2024–25 on 14<sup>th</sup> November 2024 and 7<sup>th</sup> February, 2025.
6. The board had accepted all the recommendations of the Finance Committee, which was mandatorily required, during the financial year 2024-25.

### 4. Independent Directors' Meeting

During the year under review, the Independent Directors' meeting was conducted on 7<sup>th</sup> February 2025, to discuss the following:

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

All Independent Directors attended the meeting.

### 5. Familiarization Programme for Independent Directors

During the year under review, the Company has organized a familiarization programme for all the Independent Directors. The details of familiarization programmes are posted on the website of the company and can be accessed at [https://hclinfosystems.in/wp-content/uploads/2016/09/Familiarisation\\_programme\\_For\\_Independent\\_Directors-2.pdf](https://hclinfosystems.in/wp-content/uploads/2016/09/Familiarisation_programme_For_Independent_Directors-2.pdf)

### 6. Key Board Skills, Expertise and Competence

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

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

Sr. No.	Area of Expertise/skills/ competence	Dr. Nikhil Sinha	Ms. Ritu Arora*	Mr. Pawan Kumar Danwar	Mr. Neelesh Agarwal	Mr. Raghu Venkat Chivukula	Mr. Kirti Kumar Dawar	Ms. Rita Gupta**
1.	<b>Strategy</b> (Experience in developing and implementing business strategy)	✓	✓	✓	✓	✓	✓	✓
2.	<b>Leadership</b> (Leadership experience and corporate leadership positions held)	✓	✓	✓	✓	✓	✓	✓
3.	<b>Financial and Risk Management</b> (Experience in financial accounting, corporate finance, risk management and internal controls)	✓	✓	✓	✓	–	✓	✓
4.	<b>Governance and Board</b> (Experience as corporate Board member or membership of industry or other governance bodies)	✓	✓	✓	✓	✓	✓	✓

## Report on Corporate Governance

Sr. No.	Area of Expertise/skills/competence	Dr. Nikhil Sinha	Ms. Ritu Arora*	Mr. Pawan Kumar Danwar	Mr. Neelesh Agarwal	Mr. Raghu Venkat Chivukula	Mr. Kirti Kumar Dawar	Ms. Rita Gupta**
5.	<b>Technology</b> (Significant background in or knowledge of technology including its impact on business models and strategy)	✓	–	–	–	–	–	–
6.	<b>Legal Background</b> (Experience in legal matters)	–	–	–	–	✓	✓	✓

Note:

\*\*Ms. Rita Gupta was appointed as Non-Independent and Non-Executive Director of Company w.e.f. 7<sup>th</sup> February 2025, liable to retire by rotation. Appointment of Ms. Rita Gupta has been regularised by the shareholders through postal ballot w.e.f. 22<sup>nd</sup> March, 2025.

\*Ms. Ritu Arora has ceased to be an Independent and Non-Executive Director with effect from 5<sup>th</sup> April 2025 upon completion of her second tenure.

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

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

[https://hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration\\_policy.pdf](https://hclinfosystems.in/wp-content/uploads/2020/05/Appointment-and-Remuneration_policy.pdf)

### 8. Performance Evaluation

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

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

Independent Directors in their separate meeting held on February 07<sup>th</sup> 2025, have reviewed the performance of non-independent directors and the Board as a whole. They also reviewed the performance of the Chairman of the Company.

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

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

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

### 10. UNLISTED SUBSIDIARY COMPANIES:

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

\* Nurture Technologies, FZE, a stepdown subsidiary has been dissolved with effect from April 03, 2025.

## Report on Corporate Governance

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

### 11. MATERIAL SUBSIDIARY COMPANY:

The Company has one material subsidiary as on 31<sup>st</sup> March 2025 as under:

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

### 12. RELATED PARTY TRANSACTIONS

All the related party transactions as defined under the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered during the financial year 2024-25 were in the ordinary course of business and at arm's length. The Audit Committee has approved all the related party transactions and material modification for the financial year 2024-25. The Company has not entered any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a related party transactions policy in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is posted on the website of the Company and can be accessed at <https://hclinfosystems.in/wp-content/uploads/2016/09/Related-Party-transaction-policy.pdf>

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

### 13. VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

[https://www.hclinfosystems.in/wp-content/uploads/2016/09/Whistleblower\\_Policy\\_new.pdf](https://www.hclinfosystems.in/wp-content/uploads/2016/09/Whistleblower_Policy_new.pdf)

### 14. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Mode/Location
2023-24	18 <sup>th</sup> September, 2024	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)
2022-23	20 <sup>th</sup> September, 2023	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)
2021-22	21 <sup>st</sup> September, 2022	10:00 a.m.	Video Conference ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue: 806, Siddharth, 96, Nehru Place, New Delhi-110 019)

## Report on Corporate Governance

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

### AGM held on 18<sup>th</sup> September 2024

- Approval of the remuneration to be paid to Mr. Raj Kumar Sachdeva, Manager of the Company.
- Approval to acquire shares of Subsidiary Company, Pimpri Chinchwad eServices Limited.

### AGM held on 20<sup>th</sup> September 2023

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

### AGM held on 21<sup>st</sup> September 2022

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

## 15. POSTAL BALLOT

Pursuant to Section 110 and 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company had initiated the process of postal ballot vide Postal Ballot Notice dated 7<sup>th</sup> February, 2025 for seeking approval of the members of the Company by way of Special Resolution for:

Appointment of Ms. Rita Gupta (DIN:00899240) as Non-Independent and Non-Executive Director of the Company liable to retire by rotation.

Procedure for postal ballot

- CS Vineet K Chaudhary, Managing Partner of M/s VKC & Associates, Practicing Company Secretary having Membership No F5327 and CP No 4548 and in case of his failure, CS Mohit K Dixit having membership no F12361 and CP No. 17827 Partner of M/s VKC & Associates, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
- The Company had engaged the services of National Securities Depository Limited (NSDL) for providing remote e- voting facility to all its members. The e-voting period commenced on Friday, 21<sup>st</sup> February, 2025 from 9.00 A.M. and ends on Saturday, 22<sup>nd</sup> March 2025 at 5.00 P.M.
- In accordance with the MCA & SEBI Circulars, physical copy of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope had not been sent to the shareholders for the Postal Ballot and the shareholders were required to communicate their assent or dissent through the remote e-voting system only.
- The Company completed the electronic transmission of the Postal Ballot Notice on 20<sup>th</sup> February, 2025, to the members whose names appeared on the Register of Members/ list of Beneficial Owners as on the cut-off date i.e., Friday, 14<sup>th</sup> February, 2025 and who had registered their email addresses with the Company/RTA or Depository/ Depository Participants.
- The newspaper advertisement regarding completion of dispatch of Postal Ballot Notice was published by the Company in English "Business Standard" and in Hindi "Business Standard" on Friday 21<sup>st</sup> February, 2025.
- The scrutinizer after carrying out the scrutiny of all votes had compiled the results and submitted his consolidated report by 25<sup>th</sup> March, 2025.

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

### **Resolution: Appointment of Ms. Rita Gupta (DIN:00899240) as Non-Independent and Non-Executive Director of the Company liable to retire by rotation.**

Mode	Total Valid Votes		Votes in Favour			Votes Against		
	Voters	No. of Votes	Voters	No. of Votes	%	Voters	No. of Votes	%
<b>Postal Ballot (Remote e-voting)</b>	519	207288303	469	207235519	99.975	50	52784	0.025

Based on the Scrutinizer's consolidated report dated 22<sup>nd</sup> March, 2025, on the voting on the resolution mentioned in the postal ballot notice, Mr. Raj Kumar Sachdeva, designated as a manager of the Company, duly authorized by



## Report on Corporate Governance

the Chairman of the Company, signed, and announced the results of voting on 22nd March, 2025. The result was intimated to the National Stock Exchange of India Limited (NSE), the Bombay Stock Exchange of India Limited (BSE), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and was also posted on the website of the Company at [www.hclinfosystems.in](http://www.hclinfosystems.in) and NSDL website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Based on the above postal ballot results, the resolution set out in the Postal Ballot Notice dated 7<sup>th</sup> February, 2025, was passed with requisite majority on 22<sup>nd</sup> March, 2025, being the last date of e-voting. With the declaration of the result as above and with posting of the same on the website of the Company and intimation to the Stock Exchanges & Depositories, the process of postal ballot was duly completed in a fair and transparent manner.

### 16. MANAGER/CFO CERTIFICATION:

The Certificate as stipulated in Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board along with the financial statements for the financial year ended 31<sup>st</sup> March 2025 and the Board reviewed the same. Copy of certificate is attached to this report.

### 17. DISCLOSURES:

- (i) The Company has complied with the requirements of the stock exchanges/SEBI/any statutory authority on all matters related to capital markets during the last three years.
- (ii) A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The report confirms that the issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (iii) The Board of the Company has adopted a risk management policy for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis, including aligning the internal audit function to areas of key risks.
- (iv) Pursuant to Section 204 of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been done by M/s VKC & Associates, a firm of practicing company secretaries for financial year 2024-25.
- (v) The Company has fulfilled all the Mandatory requirements as per Listing Regulations and the following non-mandatory requirements as prescribed in Part E of Schedule II r/w Regulation 27(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:
  - a. The Company has appointed non-executive independent director to the post of chairperson and not related to executive officer of the Company.
  - b. The statutory financial statements of the Company are unqualified.
  - c. Internal Auditor can directly report to the Audit Committee.
- (vi) The company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) The Company has taken a certificate from M/s VKC & Associates, a firm of practicing Company Secretaries confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith as '**Annexure-A**'.
- (viii) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** During the period under review, the total fees of ₹ 61.50 lakhs has been paid to the statutory auditors for the audit/group audit/certification of the Company and its subsidiaries. This fee excludes applicable taxes and out-of-pocket expenses.
- (ix) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:
 

Number of compliant filed during the financial year: 0

Number of compliant disposed of during the financial year: 0

Number of compliant pending as on the end of the financial year: 0

# Report on Corporate Governance

## 18. MEANS OF COMMUNICATION:

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

The quarterly financial results during the financial year 2024-25 was published as detailed below:

Quarter (FY 2024-25)	Date of Board Meeting	Date of Publication	Name of the Newspaper
1.	22 <sup>nd</sup> May, 2024	23 <sup>rd</sup> May, 2024	Business Standard: English and Regional.
2.	8 <sup>th</sup> August, 2024	9 <sup>th</sup> August, 2024	Business Standard: English and Regional.
3.	14 <sup>th</sup> November, 2024	15 <sup>th</sup> November, 2024	Business Standard: English and Regional.
4.	7 <sup>th</sup> February, 2025	9 <sup>th</sup> February, 2025	Financial Express: English Jansata : Regional.

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

## 19. GENERAL SHAREHOLDERS' INFORMATION:

- (i) Annual General Meeting:
  - Date : September 17, 2025
  - Time : 10:30 A.M (IST)
  - Venue : Video Conference ("VC")/Other Audio-Visual Means ("OAVM")  
(Deemed Venue: 806, Siddharth, 96, Nehru Place, New Delhi - 110019)
  - Financial Year : 2024-25
  - Book Closure Dates : September 11, 2025- September 17, 2025 (Both days are inclusive)
  - Dividend Payment Date : NA
- (ii) The Company follows April to March year end.
- (iii) Listing on Stock Exchanges:
  - a) National Stock Exchange of India Limited (Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051)
  - b) BSE Limited (Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001)

Annual listing fee for the Financial Year 2025-26 has been paid to the BSE Limited and the National Stock Exchange of India Limited.
- (iv) Plant Locations: NA
- (v) Stock Codes/Symbol:
  - National Stock Exchange : HCL-INSYS
  - Bombay Stock Exchange : Physical Form-179  
: Demat Form-500179

## Report on Corporate Governance

(vi) Registrar and Transfer Agents (RTA):

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

Contact Person : Mr. J. K. Singla, Senior Manager  
Phone No. : 011-42541234  
E-Mail : [rtat@alankit.com](mailto:rtat@alankit.com)  
website : [www.alankit.com](http://www.alankit.com)

(vii) Share Transfer System:

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

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

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

(viii) Shareholders' Reference:

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

(ix) Distribution of Shareholding as on 31<sup>st</sup> March 2025:

No. of equity shares	Shareholders		Total Shares	
	Number	(%)	Number	(%)
Upto 500	161439	83.54	16116782	4.90
501-1000	14985	7.75	12500563	3.80
1001-2000	8051	4.17	12378599	3.76
2001-3000	3020	1.56	7817624	2.37
3001-4000	1299	0.67	4692819	1.43
4001-5000	1297	0.67	6195332	1.88
5001-10000	1828	0.95	13914291	4.23
10001 and above	1332	0.69	255593918	77.64
<b>Total</b>	<b>193251</b>	<b>100</b>	<b>329209928</b>	<b>100</b>

(x) Shareholding pattern as on 31<sup>st</sup> March 2025:

Category	No. of shares	Percentage (%)
Promoters / Promoters Group	207031161	62.89
Mutual Funds/Alternate Investment Funds	5500	0.00
NBFCs	139250	0.04
Foreign Portfolio Investors	6725	0.00
Financial Institutions / Banks	4675	0.00
Bodies Corporate	4653460	1.41
Indian Public	107541847	37.11
NRI / Trust/HUF/others	6080176	3.07
Central Government (IEPF Fund)	900802	0.27
<b>TOTAL</b>	<b>329209928</b>	<b>100</b>

## Report on Corporate Governance

(xi) Dematerialization of shares and liquidity:

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e., NSDL & CDSL.

As on 31<sup>st</sup> March 2025, 99.37% equity shares of the Company were held in dematerialized form.

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

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

(xii) The Company has not issued any GDRs/ADRs. There are no outstanding warrants or convertible instruments as on 31<sup>st</sup> March 2025.

(xiii) Address for Correspondence:

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

The Compliance Officer

HCL Infosystems Limited

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

Tel. No.: 0120-2520977, 2526518, 2526519

Email: cosec@hclinfosystems.com

(xvii) Credit Rating

The Company has credit rating as below:

S. No.	Facilities	(₹ in lakhs)	Rating
1	Long-term/short term bank facilities	11,687	CARE BBB+; Stable/ CARE A2
2	Long-term/short term bank facilities	6,500	CARE AA- (CE); Stable/ CARE A1+ (CE) #

# Rating is based on the credit enhancement in the form of unconditional and irrevocable corporate guarantee provided by HCL Corporation Private Limited, the promoter Company.

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

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

(xx) **Company Website:**

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

### Code of Conduct

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

It is further confirmed that all the Directors and Senior Management have affirmed compliance with the Code for the financial year ended 31<sup>st</sup> March 2025.

**Raj Kumar Sachdeva**  
Manager

Place: Noida

Date: 23<sup>rd</sup> May 2025



## HCL INFOSYSTEMS

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

This is to certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2025 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit committee, and steps have been taken to rectify these deficiencies.
- (d) There have been no significant changes in internal controls over financial reporting and in accounting policies during the year requiring disclosure in the notes to the financial statements and we are not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of:  
**HCL Infosystems Limited**

**Raj Kumar Sachdeva**  
Manager

**Alok Sahu**  
Chief Financial Officer

Place : Noida

Date : 23rd May, 2025

# **ANNEXURE - A**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To  
The Members of  
**HCL INFOSYSTEMS LIMITED**  
**CIN: L72200DL1986PLC023955**  
**Registered Office Address: - 806, SIDDHARTH 96,**  
**NEHRU PLACE, NEW DELHI-110019.**

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

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No.	Name of the Directors	Director Identification Number (DIN)	Date of appointment in the Company
1.	NIKHIL SINHA	01174807	29/07/2009
2.	NEELES AGARWAL	00149856	01/04/2022
3.	PAWAN KUMAR DANWAR	06847503	21/03/2014
4.	*RITU ARORA	07019164	06/04/2015
5.	KIRTI KUMAR DAWAR	00392141	10/08/2023
6.	RAGHU VENKAT CHIVUKULA	00520704	10/08/2023
7.	RITA GUPTA	00899240	07/02/2025

\* Ms. Ritu Arora has ceased to be an Independent Director of the Company with effect from April 5, 2025, upon completion of her second tenure.

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

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

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

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

**CS Mohit K Dixit**  
Partner

FCS No.: 12361  
CP No.: 17827

UDIN: F012361G000417361

Peer Review Cer. No: 6406/2025

Place : New Delhi  
Date : 23rd May, 2025



**HCL INFOSYSTEMS**

# Corporate Governance Certificate

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

### **TO THE MEMBERS OF HCL INFOSYSTEMS LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 October 2022 and addendum to the engagement letter dated 15 May 2025.
2. We have examined the compliance of conditions of Corporate Governance by HCL Infosystems Limited ("the Company"), for the year ended 31 March 2025 as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### **Management's Responsibility**

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

### **Auditors' Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2025.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

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

### **Restriction on use**

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

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

**Girish Arora**  
Partner

Place: New Delhi  
Date: 23<sup>rd</sup> May 2025

Membership No: 098652  
UDIN: 25098652BMKXPX1249



# Secretarial Audit Report

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2025**

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

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

**We report that:**

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

**Company's Responsibilities**

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

**Auditor's Responsibilities Statement**

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

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

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

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

**Limitations**

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

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. made available to us. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

**Basis of opinion**

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

## Secretarial Audit Report

### Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

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

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

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

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

### We further report that

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

## Secretarial Audit Report

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

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

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

**We further report that** during the audit period the Company has specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

- a) The shareholders of the Company, at their Annual General Meeting held on 18<sup>th</sup> September, 2024, approved the acquisition of the remaining 15% equity shares (7,500 shares) of Pimpri Chinchwad eServices Limited ("Pimpri") from INDO Enviro Integrated Solutions Private Limited, thereby making Pimpri a wholly owned subsidiary of the Company. Accordingly, pursuant to the intimation made to the Stock Exchange(s) dated 28<sup>th</sup> March, 2025, the acquisition is likely to be completed in due course.
- b) The Board of Directors of the Company had approved the initiation of liquidation process of Nurture Technologies FZE, ("Nurture") step down subsidiary of the Company. Further, the Board of HCL Investments Pte Ltd had approved the liquidation of Nurture on 14<sup>th</sup> February, 2025. As informed by the management the certificate of dissolution has been issued by the "Dubai Integrated Economic Zones Authority" w.e.f. 03<sup>rd</sup> April, 2025, and the same has been intimated to the stock exchange.
- c) During the period under review, the Company received an intimation under Regulation 30A read with Clause 5A of Para A of Part A of Schedule III of SEBI (LODR), 2015, regarding a gift deed dated 06<sup>th</sup> March, 2025 executed by Mr. Shiv Nadar in favor of his daughter, Ms. Roshni Nadar Malhotra for the transfer of his 47% shareholding in Vama Sundari Investments (Delhi) Private Limited and HCL Corporation Private Limited respectively (collectively referred to as "**Promoter Companies**").

Consequent to the above-said transfer, Ms. Roshni Nadar Malhotra has acquired control and become the majority shareholder of the Promoter Companies and, by virtue thereof, indirectly acquired control and voting rights in the Company. However, as informed by the management, SEBI has granted an exemption order under Regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and accordingly, no open offer obligation was triggered.

For **VKC & ASSOCIATES**

(Company Secretaries)

ICSI Unique Code: P2018DE077000

**CS Mohit K Dixit**

Partner

FCS No.: 12361

CP No.: 17827

UDIN: F012361G000417361

Peer Review Cer. No: 6406/2025

Place : New Delhi

Date : 23<sup>rd</sup> May, 2025

# Secretarial Audit Report

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2025**

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

To,  
The Members,  
**HCL INFOTECH LIMITED**  
**CIN:** U72200DL2012PLC242944  
806, Siddharth 96, Nehru Place,  
New Delhi, South Delhi-110019, India

**We report that:**

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

**Company's Responsibilities**

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

**Auditor's Responsibilities Statement**

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

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

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

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

**Limitations**

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

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. made available to us. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

**Basis of opinion**

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes

## Secretarial Audit Report

and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on Secretarial Records and Compliances thereof

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

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

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

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

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



**HCL INFOSYSTEMS**

## **Secretarial Audit Report**

### **We further report that:**

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

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

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

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

**We further report that** during the audit period, the Company has specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

- a) The Board of Directors of the Company had approved the initiation of liquidation process of Nurture Technologies FZE, ("Nurture") step down subsidiary of the Company. Further, the Board of HCL Investments Pte Ltd. had approved the liquidation of Nurture on 14<sup>th</sup> February, 2025. As informed by the management the certificate of dissolution has been issued by the "Dubai Integrated Economic Zones Authority" w.e.f. 03<sup>rd</sup> April, 2025.
- b) The 100% Holding Company of the Company received an intimation under Regulation 30 and 30A read with Clause 5A of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding a gift deed dated 06<sup>th</sup> March, 2025 executed by Mr. Shiv Nadar in favor of his daughter, Ms. Roshni Nadar Malhotra for the transfer of his 47% shareholding in Vama Sundari Investments (Delhi) Private Limited and HCL Corporation Private Limited respectively (collectively referred to as member(s) of the Holding Company).

Pursuant to the above-mentioned transfer, Ms. Roshni Nadar Malhotra has acquired control and become the majority shareholder of the member(s) of the Holding Company and, by virtue of such acquisition, has indirectly acquired control and voting rights in the Company.

**FOR VKC & ASSOCIATES**

*(Company Secretaries)*

Unique Code: P2018DE077000

**CS Mohit K Dixit**

*Partner*

FCS No. 12361

C P No. 17827

UDIN: F012361G000417788

Peer Review Certificate No.: 6406/2022

Place : New Delhi

Date : 23<sup>rd</sup> May, 2025

# Independent Auditor's Report

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## 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 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to note 53 to the standalone financial statements, which states that the Company has continuously made losses for past several years and its net worth is fully eroded. Further, the Company's current liabilities exceed its current assets as at 31 March 2025 by ₹ 44,909.53 lakhs (31 March 2024: ₹ 42,556.82 lakhs). These conditions 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.

Our opinion is not modified in respect of this matter.

#### Key Audit Matter

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

#### Other Information

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. The going concern matter described in the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on 31 March 2025 and 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company has neither declared nor paid any dividend during the year.
  - f. Based on our examination which included test checks, the Company has used an accounting software, operated by a third party service provider, for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in the absence of an independent auditor's report for the said software, we are unable to comment whether audit trail feature was enabled at the database level. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved as per the statutory requirements for record retention wherever such audit trail was maintained by the Company.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

**For B S R & Associates LLP**

*Chartered Accountants*

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

**Girish Arora**

*Partner*

Membership No.: 098652

ICAI UDIN: 25098652BMKXPY4572

Place: New Delhi

Date: 23 May 2025

# Annexure A To Independent Auditor's Report

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HCL Infosystems Limited for the year ended 31 March 2025

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

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

₹ in lakhs

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year - Subsidiary*	-	-	0.90	-
Balance outstanding as at balance sheet date# - Subsidiary*	-	-	4.05	-

\*As per the Companies Act, 2013

# The loan provided to the subsidiary has been impaired in the books as at 31 March 2025 amounting to ₹ 4.05 Lakhs

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

Name of the entity	Amount (₹ in lakhs)	Remarks
Pimpri Chinchwad e Services Limited	4.05	There is not stipulation of schedule of repayment of principal or payment of interest since these loans are either repayable on demand or as and when the surplus fund would be available with the respective parties.

The loan provided to the subsidiary has been impaired in the books as at 31 March 2025 amounting to ₹ 4.05 Lakhs.

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

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

₹ in lakhs

	All Parties	Promoters	Related Parties*
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of Repayment (B)**	4.05	-	4.05
<b>Total (A+B)</b>	<b>4.05</b>	<b>-</b>	<b>4.05</b>
Percentage of loans/advances in nature of loan to the total loans	100%	0%	100%

\*Given to the subsidiary.

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

The loan provided to the subsidiary has been impaired in the books as at 31 March 2025 amounting to ₹ 4.05 Lakhs.

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of dues	Amount of demand (₹ in lakhs)	Amount of deposit (₹ in lakhs)	Period to which it relates	Forum where the dispute is pending
Customs Act, 1962	Excise	2.00	-	2008-09	Commissioner (Appeals)
Customs Tariff Act, 1975	Customs	4,047.00	500.00	2005-09	Tribunal
Finance Act, 1994	Service Tax	35,185.67	1,325.03	2006-09 and 2010-16	Tribunal
Finance Act, 1994	Service Tax	7,093.98	500.00	2005-06 and 2010-14	High Court
Central Sales Tax, 1956	CST	236.43	133.57	2002-03 to 2015-16	Tribunal
Central Sales Tax, 1956	CST	1,162.19	295.77	2004-05 to 2017-18	Upto Commisioner (Appeals)
Entry Tax Act	Entry Tax	12.29	1.00	2012-14	High Court
Entry Tax Act	Entry Tax	9.15	28.47	2009-10, 2013-14	Tribunal
Entry Tax Act	Entry Tax	83.18	33.10	2008-09 to 2017-18	Upto Commisioner (Appeals)
Goods & Services Tax, 2017	GST	219.05	10.97	2017-18 to 2019-21	Upto Commisioner (Appeals)
Sales Tax/ Value added tax under various states	Sales tax	1,527.03	5,346.26	2005-06 to 2015-16	High Court
Sales Tax/ Value added tax under various states	Sales tax	618.81	189.25	2002-03 to 2015-16	Tribunal
Sales Tax/ Value added tax under various states	Sales tax	4,667.14	829.00	2004-05 to 2017-18	Upto Commisioner (Appeals)
Income tax act, 1961	Income tax	1,870.46	-	A.Y 2005-06, 2006-07, 2011-12, 2013-14, 2016-18, 2022-23 and 2023-24	Upto Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income tax	148.19	-	A.Y 2006-07 and 2013-14	Tribunal
Entry Tax Act	Entry Tax	110.89	53.13	2012-13	Supreme Court of India

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.



- (xvii) The Company has incurred cash losses of ₹ 734.23 lakhs in the current financial year and ₹ 289.15 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 53 to the standalone financial statements, which indicates that the Company has incurred a net loss of ₹ 2,185.14 lakhs during the year ended 31 March 2025 and, as of that date, the Company's net worth is fully eroded and that the current liabilities exceed its current assets by ₹ 44,909.53 lakhs. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that a material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, the significant promoter shareholder, has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Associates LLP**

*Chartered Accountants*

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

**Girish Arora**

*Partner*

Membership No.: 098652

ICAI UDIN: 25098652BMKXPY4572

Place: New Delhi

Date: 23 May 2025

# Annexure B To Independent Auditor's Report

**Annexure B to the Independent Auditor's Report on the standalone financial statements of HCL Infosystems Limited for the year ended 31 March 2025**

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

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

## **Opinion**

We have audited the internal financial controls with reference to financial statements of HCL Infosystems Limited ("the Company") as of 31 March 2025 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 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

## **Auditor's Responsibility**

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

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

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

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

*For B S R & Associates LLP*

*Chartered Accountants*

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

**Girish Arora**

*Partner*

Membership No.: 098652

ICAI UDIN: 25098652BMKXPY4572

Place: New Delhi

Date: 23 May 2025

# Standalone Balance Sheet as at March 31, 2025

Notes		As at 31.03.2025 ₹ in Lakhs		As at 31.03.2024 ₹ in Lakhs	
<b>I. ASSETS</b>					
(1) <b>Non-current assets</b>					
Property, plant and equipment	<b>3(a)</b>	<b>154.28</b>		224.80	
Intangible assets	<b>4</b>	<b>20.01</b>		26.43	
Capital work-in-progress	<b>3(b)</b>	<b>9.14</b>		-	
Financial Assets					
(i) Investments	<b>5</b>	<b>-</b>		4.25	
(ii) Other financial assets	<b>7</b>	<b>1,004.33</b>		649.48	
Income tax assets (net)	<b>8</b>	<b>2,072.70</b>		1,994.32	
Other non-current assets	<b>9</b>	<b>12,466.00</b>	<b>15,726.46</b>	12,681.21	15,580.49
(2) <b>Current assets</b>					
Inventories	<b>10</b>	<b>0.94</b>		-	
Financial Assets					
(i) Investments	<b>6</b>	<b>2,801.29</b>		2,436.25	
(ii) Trade receivables	<b>11</b>				
(a) Billed		<b>75.88</b>		114.29	
(b) Unbilled		<b>-</b>		-	
(iii) Cash and cash equivalents	<b>12</b>	<b>191.35</b>		829.74	
(iv) Bank balances other than (iii) above	<b>13</b>	<b>2,815.67</b>		3,310.62	
(v) Loans	<b>14</b>	<b>-</b>		2.96	
(vi) Other financial assets	<b>15</b>	<b>212.81</b>		278.74	
Other current assets	<b>16</b>	<b>384.42</b>		463.60	
Assets held for sale	<b>47</b>	<b>10.00</b>	<b>6,492.36</b>	10.00	7,446.20
<b>Total Assets</b>			<b>22,218.82</b>		23,026.69
<b>II. EQUITY AND LIABILITIES</b>					
(1) <b>Equity</b>					
Equity share capital	<b>17</b>	<b>6,584.21</b>		6,584.21	
Other equity	<b>18</b>	<b>(35,845.16)</b>	<b>(29,260.95)</b>	(33,653.94)	(27,069.73)
(2) <b>Liabilities</b>					
<b>Non-current liabilities</b>					
Non- current provisions	<b>19</b>	<b>77.88</b>	<b>77.88</b>	93.40	93.40
<b>Current liabilities</b>					
Financial liabilities					
(i) Borrowings	<b>20</b>	<b>35,500.00</b>		35,500.00	
(ii) Trade payables	<b>21</b>				
(a) Total outstanding dues of micro enterprises and small enterprises		<b>13.53</b>		9.17	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>2,552.39</b>		2,277.12	
(iii) Other financial liabilities	<b>22</b>	<b>202.07</b>		215.51	
Other current liabilities	<b>23</b>	<b>116.43</b>		280.69	
Provisions	<b>24</b>	<b>13,017.47</b>	<b>51,401.89</b>	11,720.53	50,003.02
<b>Total Equity and Liabilities</b>			<b>22,218.82</b>		23,026.69
<b>Summary of material accounting policies</b>	<b>2</b>				

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

ICAI Registration Number-116231W/W-100024

**Girish Arora**

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

**HCL Infosystems Limited**

**Pawan Kumar Danwar**

Director

DIN - 06847503

**Alok Sahu**

Chief Financial Officer

**Raghu Venkat Chivukula**

Director

DIN - 00520704

**Raj Kumar Sachdeva**

Manager

**Twinkle Monga**

Company Secretary

**New Delhi: May 23, 2025**

**Noida : May 23, 2025**

# Standalone Statement of Profit and Loss for the year ended March 31, 2025

	Notes	Year ended 31.03.2025 ₹ in Lakhs		Year ended 31.03.2024 ₹ in Lakhs	
<b>Income :</b>					
Revenue from operations	25		338.95		474.53
Other income	26		745.40		1,309.36
<b>Total income</b>			<b>1,084.35</b>		<b>1,783.89</b>
<b>Expenses :</b>					
Direct Expense			336.27		469.83
Changes in inventories of stock-in -trade	27		(0.94)		-
Employee benefits expense	28		587.77		600.57
Finance costs	29		17.25		43.24
Depreciation and amortization expense	3,4		47.45		52.81
Other expenses	30		1,580.32		1,864.68
<b>Total expenses</b>			<b>2,568.12</b>		<b>3,031.13</b>
Loss before exceptional items and tax			(1,483.77)		(1,247.24)
Exceptional items	34		(701.37)		(307.64)
Loss before tax			(2,185.14)		(1,554.88)
Income tax expense:					
Current tax		-	-	-	-
Deferred tax	46	-	-	-	-
Loss for the year			(2,185.14)		(1,554.88)
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
(i) Gain/(loss) on remeasurement of defined benefit plan	43	(6.08)		0.05	
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		-		-	
Other comprehensive income for the year, net of tax			(6.08)		0.05
<b>Total comprehensive loss for the year</b>			<b>(2,191.22)</b>		<b>(1,554.83)</b>
Earnings/(loss) per share (in ₹ Per share)	41				
- Basic and diluted (of ₹ 2/- each)			(0.66)		(0.47)
<b>Summary of material accounting policies</b>	2				

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

As per our report of even date attached

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

**Girish Arora**  
Partner  
Membership Number - 098652

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

**Pawan Kumar Danwar**  
Director  
DIN - 06847503

**Alok Sahu**  
Chief Financial Officer

**Raghu Venkat Chivukula**  
Director  
DIN - 00520704

**Raj Kumar Sachdeva**      **Twinkle Monga**  
Manager                      Company Secretary

**New Delhi: May 23, 2025**

**Noida : May 23, 2025**



**HCL INFOSYSTEMS**

# Standalone Statement of Changes in Equity for the year ended March 31, 2025

**a. Equity Share Capital**

₹ in Lakhs

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
6,584.21	-	6,584.21

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

**b. Other Equity**

₹ in Lakhs

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	
<b>Balance as at 01.04.2023</b>	<b>1,19,438.10</b>	<b>16,928.80</b>	<b>21,583.00</b>	<b>(1,90,049.01)</b>	<b>(32,099.11)</b>
Loss for the year	-	-	-	(1,554.88)	(1,554.88)
Other comprehensive income for the year	-	-	-	0.05	0.05
<b>Balance as at 31.03.2024</b>	<b>1,19,438.10</b>	<b>16,928.80</b>	<b>21,583.00</b>	<b>(1,91,603.84)</b>	<b>(33,653.94)</b>
<b>Balance as at 01.04.2024</b>	<b>1,19,438.10</b>	<b>16,928.80</b>	<b>21,583.00</b>	<b>(1,91,603.84)</b>	<b>(33,653.94)</b>
Loss for the year	-	-	-	(2,185.14)	(2,185.14)
Other comprehensive loss for the year	-	-	-	(6.08)	(6.08)
<b>Balance as at 31.03.2025</b>	<b>1,19,438.10</b>	<b>16,928.80</b>	<b>21,583.00</b>	<b>(1,93,795.06)</b>	<b>(35,845.16)</b>

**Securities Premium:**

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

**General Reserve :**

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

**Retained Earnings:**

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

**Capital Reserve:**

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

ICAI Registration Number-116231W/W-100024

**Girish Arora**

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

**HCL Infosystems Limited**

**Pawan Kumar Danwar**

Director

DIN - 06847503

**Raghu Venkat Chivukula**

Director

DIN - 00520704

**Alok Sahu**

Chief Financial Officer

**Raj Kumar Sachdeva**

Manager

**Twinkle Monga**

Company Secretary

**New Delhi: May 23, 2025**

**Noida : May 23, 2025**

# Standalone Cash Flow Statement for the year ended March 31, 2025

	Year ended 31.03.2025 ₹ in Lakhs		Year ended 31.03.2024 ₹ in Lakhs	
<b>1. Cash Flow from Operating Activities:</b>				
<b>Loss before tax</b>		<b>(2,185.14)</b>		<b>(1,554.88)</b>
<b>Adjustments for:</b>				
Depreciation and amortisation expense	47.45		52.81	
Finance cost	17.25		43.24	
Interest income on fixed deposits and others	(265.64)		(251.75)	
Interest on income tax refund	(0.05)		(61.18)	
Net gains on fair value changes on investments	(35.17)		(36.42)	
Net profit on sale of properties	(584.12)		(1,196.36)	
Gain on sale of investment carried at FVTPL	(105.58)		(130.47)	
Provision against inter company deposits given to subsidiaries	3.83		-	
Provision for loss in subsidiary	1,277.17		1,504.00	
Impairment of unquoted long term investments	4.25		-	
(Gain)/loss on foreign exchange fluctuation	(13.75)		34.63	
Reversal of loss allowance for doubtful debts	(134.67)		(159.86)	
Net allowance for input tax credit	473.75		334.73	
Allowance for doubtful other current assets	-		38.46	
Provisions/liabilities no longer required written back	(57.52)	<b>627.20</b>	(501.42)	<b>(329.59)</b>
<b>Operating loss before working capital changes</b>		<b>(1,557.94)</b>		<b>(1,884.47)</b>
<b>Changes in operating assets and liabilities</b>				
Decrease in trade receivables	173.08		166.46	
Decrease in non-current assets	199.81		415.01	
Decrease/(Increase) in current assets	(327.76)		3.30	
Increase in inventories	(0.94)		-	
(Decrease)/Increase in non current liabilities	(15.52)		0.74	
(Decrease)/Increase in current liabilities	183.53	<b>212.20</b>	(274.73)	<b>310.78</b>
<b>Cash used in operations</b>		<b>(1,345.74)</b>		<b>(1,573.69)</b>
Net tax refund (including interest)		<b>(77.10)</b>		<b>765.49</b>
<b>Net cash used in operating activities (A)</b>		<b>(1,422.84)</b>		<b>(808.20)</b>
<b>2. Cash flow from investing activities:</b>				
Purchase of properties plant and equipments and intangible assets	(21.38)		(19.13)	
Capital work-in-progress (including intangible assets under development)	(9.14)		-	
Proceeds from sale of properties, plant and equipments	634.99		0.44	
Proceeds from redemption of mutual funds	9,650.22		14,652.21	
Investment in mutual funds	(9,874.51)		(14,399.28)	
Interest received	264.72		252.00	
Redemption of / (investment in) bank deposits (net)	155.54		(196.44)	
Inter corporate deposits given	(0.90)	<b>799.54</b>	(0.75)	<b>289.05</b>
<b>Net cash generated from investing activities(B)</b>		<b>799.54</b>		<b>289.05</b>



# Standalone Cash Flow Statement for the year ended March 31, 2025 (Contd.)

	Year ended 31.03.2025 ₹ in Lakhs		Year ended 31.03.2024 ₹ in Lakhs	
<b>3. Cash Flow from Financing Activities:</b>				
Proceeds from loans and borrowings from related party	<b>45,500.00</b>		35,500.00	
Repayment of loans and borrowings to related party	<b>(45,500.00)</b>		(35,500.00)	
Finance cost paid	<b>(17.25)</b>	<b>(17.25)</b>	(43.44)	(43.44)
<b>Net cash used in financing activities (C)</b>		<b>(17.25)</b>		(43.44)
<b>Net Decrease in cash and cash equivalents (A+B+C)</b>		<b>(640.55)</b>		(562.59)
Opening balance of cash and cash equivalents		<b>829.74</b>		1,392.99
Exchange difference on translation of foreign currency cash and cash equivalent		<b>2.16</b>		(0.66)
Closing balance of cash and cash equivalents		<b>191.35</b>		829.74
<b>Cash and cash equivalents comprise of</b>		<b>191.35</b>		829.74
Cash in hand		<b>0.11</b>		0.11
Balances with banks on current accounts (refer note 12)		<b>158.90</b>		829.63
Balances with banks on margin accounts (refer note 12)		<b>32.34</b>		-

**Notes:**

Figures in brackets indicate cash outflow.

**Summary of material accounting policies (refer note 2)**

Note A: Reconciliation of liabilities arising from financing activities:

<b>Borrowings</b>	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
Opening Balance	<b>35,500.00</b>	35,500.00
Cash flows inflow	<b>45,500.00</b>	35,500.00
Cash flows outflow	<b>(45,500.00)</b>	(35,500.00)
Non cash changes	-	-
<b>Closing Balance</b>	<b>35,500.00</b>	35,500.00

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

ICAI Registration Number-116231W/W-100024

**Girish Arora**

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

**HCL Infosystems Limited**

**Pawan Kumar Danwar**

Director

DIN - 06847503

**Alok Sahu**

Chief Financial Officer

**Raghu Venkat Chivukula**

Director

DIN - 00520704

**Raj Kumar Sachdeva**

Manager

**Twinkle Monga**

Company Secretary

**New Delhi: May 23, 2025**

**Noida : May 23, 2025**

# Notes to the Standalone Financial Statements

## 1. Corporate information

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

The Company is primarily engaged in annual maintenance contracts related to Enterprise Distribution Customers. The financial statements were approved by the Board of Directors and authorised for issue on 23.05.2025.

## 2. Material accounting policies

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

### 2.1 Basis of preparation and measurement

#### (i) Basis of preparation

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

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

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

#### (ii) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the certain financials assets and liabilities which have been measured at fair value except for the following items:

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

#### (iii) Current /non-current classification

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

### 2.1 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases relating to sale and leaseback transactions. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### 2.2 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.

### 2.3 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:

## Notes to the Standalone Financial Statements

a) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements. (refer note 46)

b) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. (refer note 35)

c) Allowance for uncollected trade receivable, unbilled revenue, contract assets and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. (refer note 32 (ia))

d) Liquidated damages

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

e) Impairment of investments

Investments in subsidiaries are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment. (refer note 5)

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

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

Estimation of fair value of Optionally Convertible Debentures issued by a wholly owned subsidiary is estimated basis the future collection of assigned assets.

f) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. (refer note 25)

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

## Notes to the Standalone Financial Statements

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.

### 2.4 Property, plant and equipment

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

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

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

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

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

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

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

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

### 2.5 Intangible assets

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

## Notes to the Standalone Financial Statements

at cost less accumulated amortisation and any accumulated impairment losses

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

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

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

Intellectual Property Rights	7 years
Software	1-5 years

### 2.6 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.

### 2.7 Financial instruments

#### A. Financial instruments – Initial recognition and measurement

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

#### B. Financial assets

##### 1. Subsequent measurement

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

##### Debt instrument

##### a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective

## Notes to the Standalone Financial Statements

hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in other income in the statement of profit and loss.

b. Financial assets measured at amortised cost

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

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

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

### Investment in subsidiaries

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

2. Derecognition

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

### 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.

## Notes to the Standalone Financial Statements

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

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

### **F. Fair value measurement**

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

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

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

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

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

## **2.8 Income tax**

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

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

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

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

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

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

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

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



## Notes to the Standalone Financial Statements

### 2.9 Inventories

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

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

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

### 2.10 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.

### 2.11 Impairment of assets

#### a. Financial assets

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

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

#### b. Non-financial assets

Intangible assets and property, plant and equipment

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

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

#### c. Investment in subsidiaries

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

## Notes to the Standalone Financial Statements

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.

### 2.12 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.

### 2.13 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.

### 2.14 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.

## Notes to the Standalone Financial Statements

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

### **b) Contingencies**

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

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

### **2.16 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 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**

Contracts involving provision of services and material

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

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

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

## Notes to the Standalone Financial Statements

### Fixed Price contracts

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

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

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

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

### Interest income

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

## 2.18 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.

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

### Defined contribution plans

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

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

## Notes to the Standalone Financial Statements

### **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 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.

### **2.20 Earnings per share**

#### **(i) Basic earnings per share**

Basic earnings per share is calculated 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.

### **2.21 Exceptional items**

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

## Notes to the Standalone Financial Statements

### 3(a) Property, plant and equipment

The changes in carrying value of property, plant and equipment

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 31.03.2025
Freehold land	6.00	-	-	6.00	-	-	-	-	6.00
Buildings	195.16	-	51.12	144.04	18.28	6.24	1.06	23.46	120.58
Plant and machinery	1.14	-	1.04	0.10	1.14	0.03	1.16	0.01	0.09
Furniture and fixtures	4.90	-	4.90	-	4.35	0.53	4.88	-	-
Computers	336.00	20.18	27.04	329.14	294.63	33.04	26.14	301.53	27.61
<b>Total</b>	<b>543.20</b>	<b>20.18</b>	<b>84.10</b>	<b>479.28</b>	<b>318.40</b>	<b>39.84</b>	<b>33.24</b>	<b>325.00</b>	<b>154.28</b>

₹ in Lakhs

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

### 3(b) Capital work-in-progress

₹ in Lakhs

Particulars	As at 01.04.2024	Addition	Capitalisation	As at 31.03.2025
Capital work-in-progress	-	9.14	-	9.14

₹ in Lakhs

Particulars	As at 01.04.2023	Addition	Capitalisation	As at 31.03.2024
Capital work-in-progress	-	-	-	-

### CWIP Ageing Schedule as on March 31, 2025 and March 31, 2024

₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress March 31, 2025	9.14	-	-	-	9.14
Project in progress March 31, 2024	-	-	-	-	-

Note: There is no overdue capital work in progress.

## Notes to the Standalone Financial Statements

### 4 Intangible Assets

The changes in carrying value of intangible assets

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 31.03.2025
Software	287.77	1.19	-	288.96	261.34	7.61	-	268.95	20.01
<b>TOTAL</b>	<b>287.77</b>	<b>1.19</b>	<b>-</b>	<b>288.96</b>	<b>261.34</b>	<b>7.61</b>	<b>-</b>	<b>268.95</b>	<b>20.01</b>

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 31.03.2024
Software	287.77	-	-	287.77	253.77	7.57	-	261.34	26.43
<b>TOTAL</b>	<b>287.77</b>	<b>-</b>	<b>-</b>	<b>287.77</b>	<b>253.77</b>	<b>7.57</b>	<b>-</b>	<b>261.34</b>	<b>26.43</b>

Particulars	As at 31.03.2025		As at 31.03.2024	
	Units	₹ in Lakhs	Units	₹ in Lakhs
<b>5 Non-current investments</b>				
<b><u>Unquoted</u></b>				
<b><u>Investments in equity instruments of subsidiaries (At cost)</u></b>				
Pimpri Chinchwad eServices Limited	42,500	4.25	42,500	4.25
HCL Infotech Limited	2,20,300	66,846.04	2,20,300	66,846.04
		66,850.29		66,850.29
		66,850.29		66,846.04
Less: Impairment in the value of investment *		-		4.25
<b>Total investments in equity instruments of subsidiaries</b>				
* Impairment allowances for investment in subsidiaries				
- HCL Infotech Limited		66,846.04		66,846.04
- Pimpri Chinchwad eServices Limited		4.25		-
<b>TOTAL</b>		66,850.29		66,846.04
<b>Aggregate book value of unquoted investments (net of impairment)</b>		-		4.25
<b>Aggregate amount of impairment in the value of investments</b>		66,850.29		66,846.04



**Notes to the Standalone Financial Statements**

Particulars	As at 31.03.2025		As at 31.03.2024	
	Units	₹ in Lakhs	Units	₹ in Lakhs
<b>6 Current investments</b>				
<b><u>Unquoted (Others)</u></b>				
<b><u>Investment in mutual funds at FVTPL</u></b>				
<b><u>Growth options</u></b>				
HDFC Ultra Short Term Fund - [NAV - ₹ 14.87 (2024- ₹ 13.85)]	1,03,32,893	1,536.94	66,05,783	914.71
ICICI Pru Ultra Short Term Fund - Growth - [NAV - ₹ 27.18 (2024- ₹ 25.31)]	46,52,472	1,264.35	60,11,252	1,521.54
<b>Total current investments</b>		2,801.29		2,436.25
<b>Aggregate amount of market value of unquoted investment</b>		2,801.29		2,436.25

Particulars	As at 31.03.2025		As at 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>7 Other financial assets - non-current</b>				
<b>Considered Good</b>				
Balance with bank- margin money*		355.52		0.67
Business consideration receivable (refer note 55)		648.81		648.81
<b>TOTAL</b>		1,004.33		649.48
*Balances held as margin money for obtaining bank guarantees.				
<b>7A Deferred tax assets (net)</b>				
Deferred tax assets (refer note 46)		-		-
<b>TOTAL</b>		-		-
<b>8 Income tax asset</b>				
Advance income tax (net of provisions) [Provision for income tax of ₹ Nil (2024 - ₹ Nil)]		2,072.70		1,994.32
<b>TOTAL</b>		2,072.70		1,994.32
<b>9 Other non-current assets</b>				
Deposits with tax authorities		12,466.00		12,681.01
Others		-		0.20
<b>TOTAL</b>		12,466.00		12,681.21
<b>10 Inventories</b>				
Stock-in-trade[Including in-transit ₹ Nil (2024 - ₹ Nil)]		0.94		-
<b>TOTAL</b>		0.94		-

## Notes to the Standalone Financial Statements

Particulars	As at 31.03.2025		As at 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>11 Trade receivables*</b>				
a) Billed				
Unsecured, considered good	75.88		114.29	
Credit impaired	492.83		2,927.99	
	568.71		3,042.28	
Less : Loss allowance for doubtful debts	492.83	75.88	2,927.99	114.29
b) Unbilled revenue		-		-
<b>TOTAL</b>		75.88		114.29
*refer note no 32 (ia) disclosure related to ageing of trade receivables and refer note no 44 for related party balances.				
<b>12 Cash and cash equivalents</b>				
Balances with banks				
- Current account		158.90		829.63
- On margin account		32.34		-
Cash on Hand		0.11		0.11
Bank deposits with original maturity of three months or less	31.45		31.45	
Less: Money held in trust	31.45	-	31.45	-
<b>TOTAL</b>		191.35		829.74
<b>13 Other bank balances</b>				
Bank deposits with original maturity of more than three months but less than 12 months*		2,009.47		1,964.24
Balances with banks				
- On margin account		806.20		1,346.38
<b>TOTAL</b>		2,815.67		3,310.62
* includes ₹ 99.97 lakhs (2024- ₹ 124 lakhs) lien marked with banks against bank guarantee.				
<b>14 Loans</b>				
<b>Unsecured</b>				
<b>Considered good</b>				
Loans and advances to subsidiaries (refer note 34 and 44)		-		2.96
<b>Considered doubtful</b>				
Loans and advances to subsidiaries (refer note 44)	3.83		-	
Less: Allowance for doubtful loans and advances to subsidiaries	3.83	-	-	-
		-		2.96
Note: Unsecured loan given to subsidiaries is repayable on demand and carries interest rate 6.58% to 6.98% pa.				

**Notes to the Standalone Financial Statements**

Particulars	As at 31.03.2025		As at 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>15 Other current financial assets</b>				
<b>Considered good</b>				
Security deposits		6.39		6.39
<b>Considered doubtful</b>				
Others (includes employee advances, insurance claim recoverable)	448.82		563.12	
Less: Allowance for doubtful advances	448.82	-	563.12	-
Receivable from related parties (refer note 44)		206.42		272.35
<b>TOTAL</b>		212.81		278.74
<b>16 Other current assets</b>				
<b>Unsecured</b>				
<b>Considered good</b>				
Balances with government authorities		151.54		171.35
Advances to creditors		116.37		109.51
Prepaid expenses		44.51		109.24
Employee related recoverable		72.00		73.50
<b>Considered Doubtful</b>				
Deposits and other advances	275.17		312.67	
Less: Loss allowance for doubtful advances	275.17	-	312.67	-
Input tax credit	4,583.52		4,976.78	
Less: Loss allowance for input tax credit	4,583.52	-	4,976.78	-
<b>TOTAL</b>		384.42		463.60
<b>17 Share capital</b>				
<u>Authorised</u>				
85,30,00,000 Equity Shares (2024 - 85,30,00,000) of ₹ 2/- each		17,060.00		17,060.00
5,00,000 Preference Shares (2024 - 5,00,000) of ₹ 100/- each		500.00		500.00
<b>TOTAL</b>		17,560.00		17,560.00
<u>Issued, Subscribed and Fully Paid up</u>				
32,92,09,928 Equity Shares (2024 - 32,92,09,928) of ₹ 2/- each		6,584.20		6,584.20
Add: Shares Forfeited - 1,000 shares of ₹ 1/- each (2024 - 1,000 shares of ₹ 1/- each)		0.01		0.01
<b>TOTAL</b>		6,584.21		6,584.21

**Notes:**
**(i) Rights attached to equity shares:**

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

## Notes to the Standalone Financial Statements

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.

The Company had not issued any bonus shares or bought back any shares during the five years immediately preceeding the reporting date.

(ii)	Shareholders holding more than 5% of the aggregate shares in the Company	As at 31.03.2025		As at 31.03.2024	
		Number of Shares	% of shares	Number of Shares	% of shares
	(a) HCL Corporation Private Limited	16,44,21,399	49.94	16,44,21,399	49.94
	(b) VAMA Sundari Investments(Delhi) Private Limited	4,26,03,194	12.94	4,26,03,194	12.94

(iii)	Promoters shareholding in the Company	As at 31.03.2025		% change during the year	As at 31.03.2024	
		Number of Shares	% of shares		Number of Shares	% of shares
	(a) HCL Corporation Private Limited	16,44,21,399	49.94	-	16,44,21,399	49.94
	(b) VAMA Sundari Investments (Delhi) Private Limited	4,26,03,194	12.94	-	4,26,03,194	12.94
	(c) Mr. Shiv Nadar	3,055	0.00	-	3,055	0.00
	(d) Mrs. Roshni Nadar Malhotra	2,893	0.00	-	2,893	0.00
	(e) Mrs. Kiran Nadar	620	0.00	-	620	0.00

Particulars	As at 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
<b>18 Other Equity</b>		
<b>A. Reserve and surplus</b>		
<b>(a) Securities premium reserves</b>		
Opening balance	1,19,438.10	1,19,438.10
Closing Balance	1,19,438.10	1,19,438.10
<b>(b) Capital Reserve</b>		
Opening Balance	16,928.80	16,928.80
Closing Balance	16,928.80	16,928.80
<b>(c) General reserve</b>		
Opening balance	21,583.00	21,583.00
Closing balance	21,583.00	21,583.00
<b>(d) Retained earnings</b>		
Opening balance	(1,91,603.84)	(1,90,049.01)
Loss for the year	(2,185.14)	(1,554.88)
Remeasurement of post employment benefit obligation, (net of tax)	(6.08)	0.05
Closing balance	(1,93,795.06)	(1,91,603.84)
<b>TOTAL</b>	<b>(35,845.16)</b>	<b>(33,653.94)</b>

**Notes to the Standalone Financial Statements**

Particulars	As at 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
<b>19 Non-current provisions</b>		
Provision for gratuity and other employee benefits *	77.88	93.40
<b>TOTAL</b>	<b>77.88</b>	<b>93.40</b>
[*includes ₹ 65.12 lakhs (2024 - ₹ 73.96 lakhs) provision towards gratuity (refer note 43), ₹ 12.76 lakhs (2024 - ₹ 15.05 lakhs) provision towards leave encashment and ₹ Nil (2024 - ₹ 4.39 lakhs) provision towards other employee benefits]		
<b>20 Current borrowings</b>		
<b>Unsecured:</b>		
<b>Loans</b>		
- From related parties (refer note 44)	35,500.00	35,500.00
<b>TOTAL</b>	<b>35,500.00</b>	<b>35,500.00</b>
<b>Notes:</b>		
1. Unsecured Intercompany Loan from HCL Corporation Private Limited amounting to ₹ 35,500 lakhs (2024 - ₹ 35,500 lakhs) is repayable in 11 months from the date of avilment of each tranche, which is interest free.		
2. The company has obtained non fund-based facility based on security of current assets, submission of intimation for quarterly results with banks has been done as and when due except for quarter ended March 31, 2025 which is not yet due		
<b>21 Trade payables*</b>		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 36) and	13.53	9.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,552.39	2,277.12
<b>TOTAL</b>	<b>2,565.92</b>	<b>2,286.29</b>
*refer note 32 (iia) disclosure related to ageing of trade payable and refer note 44 for related party balances.		
<b>22 Other current financial liabilities</b>		
Employee benefits payable	194.96	209.63
Capital creditors	7.11	5.88
<b>TOTAL</b>	<b>202.07</b>	<b>215.51</b>
<b>23 Other current liabilities</b>		
Deferred revenue*	17.97	69.42
Advances received from customers*	-	80.72
Statutory dues payable	98.46	130.55
<b>TOTAL</b>	<b>116.43</b>	<b>280.69</b>
*Contract liability comprises deferred revenue and advance received from customer which represents amount billed and collected from customers in respect of ongoing projects and projects under litigation. Contract liability in respect of project under litigation will be recognized as revenue upon final resolution of litigation. Contract liability in respect of ongoing projects are recognized over a period of time as and when the services are rendered. The movement of deferred revenue includes amount billed ₹ 36.19 lakhs (2024 - ₹ 111.82 lakhs), and revenue recognised during the year ₹ 87.63 lakhs (2024 - ₹ 110.23 lakhs).		

## Notes to the Standalone Financial Statements

Particulars	As at 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
<b>24 Current provisions</b>		
Provision for gratuity and other employee benefits #	88.37	69.17
Provision for Losses of subsidiary (refer note 34 (c) )	11,698.17	10,421.00
Provision for litigation (refer note 35 (c))*	1,230.93	1,230.36
<b>TOTAL</b>	<b>13,017.47</b>	<b>11,720.53</b>
[# includes ₹ 29.46 lakhs (2024 - ₹ 7.17 lakhs) provision towards gratuity (refer note 43) , ₹ 5.34 lakhs (2024- ₹ 2.62 lakhs) provision towards leave encashment and ₹ 53.57 lakhs (2024 - ₹ 59.38 lakhs) provision towards other employee benefits]		
<b>*Provision for litigation</b>		
<b>Balance as at the beginning of the year</b>	<b>1,230.36</b>	<b>1,312.22</b>
Provision made during the year	63.82	200.06
Provision utilised/reversed during the year	63.25	281.92
<b>Balance as at the end of the year</b>	<b>1,230.93</b>	<b>1,230.36</b>
<b>Note:</b> The company did not have any derivative contracts as at March 31, 2025 or March 31, 2024.		

Particulars	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
<b>25 Revenue from operations</b>		
Rendering of services	338.95	474.53
<b>TOTAL</b>	<b>338.95</b>	<b>474.53</b>
a) The company's revenue are recognised from customers based within India. The entire revenue of the company are recognised from five customers (2024 - eleven customers).		
b) All the remaining performance obligations are expected to be satisfied within one year.		
c) Refer note 23 for movement of contract liability.		
<b>Revenue by time</b>		
Revenue recognised at a point in time	-	-
Revenue recognised over a period of time	338.95	474.53
<b>TOTAL</b>	<b>338.95</b>	<b>474.53</b>

**Notes to the Standalone Financial Statements**

Particulars	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
<b>26 Other income</b>		
Interest income from financial asset at amortised cost		
- On fixed deposits	<b>225.98</b>	211.98
- On others	-	86.11
Interest income from optionally convertible debenture (refer note 44)	<b>39.66</b>	39.77
Net gains on fair value changes on investments	<b>35.17</b>	36.42
Gain on sale of investment carried at FVTPL	<b>105.58</b>	130.47
Net profit on sale of property, plant and equipment	<b>0.24</b>	0.00
Gain on foreign exchange fluctuation	<b>11.60</b>	-
Reversal of loss allowance for doubtful debts	<b>134.67</b>	159.86
Provisions/liabilities no longer required written back	<b>166.02</b>	501.42
Miscellaneous income*	<b>26.43</b>	82.15
Interest income on income tax refund	<b>0.05</b>	61.18
<b>TOTAL</b>	<b>745.40</b>	1,309.36
*includes miscellaneous expense recovery with respect to property monetisation of ₹ 5.96 lakhs (2024 - ₹ 67.05 lakhs).		
<b>27 Changes in inventories</b>		
Closing balance		
- Stock-in-trade	<b>0.94</b>	-
	<b>0.94</b>	-
Opening balance		
- Stock-in-trade	-	-
	-	-
<b>Changes in inventories</b>	<b>(0.94)</b>	-
<b>28 Employee benefits expense</b>		
Salaries, wages and bonus (refer note 43)	<b>809.24</b>	764.79
Contribution to provident and other funds (refer note 43)	<b>24.56</b>	22.00
Staff welfare expenses	<b>8.02</b>	9.94
<b>TOTAL</b>	<b>841.82</b>	796.73
Less: Cost allocation for common services * (refer note 44)	<b>254.05</b>	196.16
<b>TOTAL</b>	<b>587.77</b>	600.57
*this represents cost allocated to subsidiary company for common services.		
<b>29 Finance costs</b>		
Processing and other bank fees	<b>17.25</b>	43.24
<b>TOTAL</b>	<b>17.25</b>	43.24



## Notes to the Standalone Financial Statements

Particulars	Year Ended 31.03.2025		Year Ended 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>30 Other expenses</b>				
Rent (refer note 40)		66.89		63.95
Rates and taxes		94.79		329.10
Communication		16.52		35.53
Travelling and conveyance		23.91		41.23
Legal, professional and consultancy charges (refer note 38)		474.13		501.31
Retainership expenses		290.39		318.48
Office electricity and water		6.23		34.64
Insurance		44.69		44.68
Technology Cost		223.48		266.92
Outsourcing cost		119.86		130.83
Bank charges		6.73		9.23
Bad debts written off	2,300.49		21.52	
Less : Allowance for doubtful debts adjustment	(2,300.49)	-	(21.52)	-
Net allowance for doubtful other current assets		-		38.46
Net allowance for Input tax credit		473.75		334.73
Repairs				
- Buildings		1.34		0.42
- Others		22.25		24.76
Net loss on foreign exchange fluctuation (other than considered as finance cost)		-		33.43
Miscellaneous#		73.19		96.90
<b>TOTAL</b>		1,938.15		2,304.60
Less: Cost allocation for common services* (refer note 44)		357.83		439.92
<b>TOTAL</b>		1,580.32		1,864.68
*this represents cost allocated to subsidiary company for common services.				
#includes director sitting fees of ₹ 34.47 lakhs (2024 - ₹ 42.75 lakhs)				

### Financial Instruments and Risk Management

#### 31 Fair Value Measurements

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

₹ in Lakhs

Particulars	Notes	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>					
<b>Non-current assets</b>					
(i) Investment in subsidiaries	5	-	-	-	-
		-	(4.25)	(4.25)	(4.25)
(ii) Others	7	-	1,004.33	1,004.33	1,004.33
		-	(649.48)	(649.48)	(649.48)
		-	1,004.33	1,004.33	1,004.33
		-	(653.73)	(653.73)	(653.73)

**Notes to the Standalone Financial Statements**
**₹ in Lakhs**

Particulars	Notes	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Current assets</b>					
(i) Investments	<b>6</b>	<b>2,801.29</b> (2,436.25)	- -	<b>2,801.29</b> (2,436.25)	<b>2,801.29</b> (2,436.25)
(ii) Trade receivables	<b>11</b>	- -	<b>75.88</b> (114.29)	<b>75.88</b> (114.29)	<b>75.88</b> (114.29)
(iii) Cash and cash equivalents	<b>12</b>	- -	<b>191.35</b> (829.74)	<b>191.35</b> (829.74)	<b>191.35</b> (829.74)
(iv) Other bank balances	<b>13</b>	- -	<b>2,815.67</b> (3,310.62)	<b>2,815.67</b> (3,310.62)	<b>2,815.67</b> (3,310.62)
(v) Loans	<b>14</b>	- -	- (2.96)	- (2.96)	- (2.96)
(vi) Others	<b>15</b>	- -	<b>212.81</b> (278.74)	<b>212.81</b> (278.74)	<b>212.81</b> (278.74)
		<b>2,801.29</b> (2,436.25)	<b>3,295.71</b> (4,536.35)	<b>6,097.00</b> (6,972.60)	<b>6,097.00</b> (6,972.60)
<b>Current liabilities</b>					
(i) Borrowings	<b>20</b>	- -	<b>35,500.00</b> (35,500.00)	<b>35,500.00</b> (35,500.00)	<b>35,500.00</b> (35,500.00)
(ii) Trade payables	<b>21</b>	- -	<b>2,565.92</b> (2,286.29)	<b>2,565.92</b> (2,286.29)	<b>2,565.92</b> (2,286.29)
(iii) Other financial liabilities	<b>22</b>	- -	<b>202.07</b> (215.51)	<b>202.07</b> (215.51)	<b>202.07</b> (215.51)
		- -	<b>38,267.99</b> (38,001.80)	<b>38,267.99</b> (38,001.80)	<b>38,267.99</b> (38,001.80)

Note: Previous year figures are given in brackets.

**Fair value hierarchy**

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2025 and March 31, 2024 and the basis for that measurement is as below:

**₹ in Lakhs**

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
<b>Assets</b>				
Investments carried at fair value through profit and loss	<b>2,801.29</b> (2,436.25)	<b>2,801.29</b> (2,436.25)	- -	- -
Investments carried at fair value through other	- -	- -	- -	- -
Investments carried at fair value through other comprehensive income	- -	- -	- -	- -
Unrealized gain on derivative financial instruments	- -	- -	- -	- -

## Notes to the Standalone Financial Statements

₹ in Lakhs

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

Note: Previous year figures are given in brackets.

### The following methods/assumptions were used to estimate the fair value

- The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, loans, borrowings and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. The Company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Investments in unquoted equity shares of subsidiaries company are valued at amortised cost.
- There were no transfers between any levels for Fair value measurements.

## 32 Financial Risk Management

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

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

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

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

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

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

## Notes to the Standalone Financial Statements

### Financial Risk Management

#### 32 (i) Credit Risk

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

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

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

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

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

Following table provides agewise breakup of receivables

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Not Due	48.64	109.14
0-90 days past due	18.48	-
91-180 days past due	1.71	1.11
181-365 days past due	2.52	4.04
1 - 2 years past due	-	112.63
More than 2 years past due	497.36	2,815.36
<b>(A)</b>	<b>568.71</b>	<b>3,042.28</b>

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a trade receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement profit and loss.

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

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
<b>Balance at the beginning</b>	<b>2,927.99</b>	<b>3,108.60</b>
Provided during the year	-	-
Reversal during the year	(134.67)	(159.09)
Provision utilised against bad debts written off	(2,300.49)	(21.52)
<b>Balance at the end</b> <span style="float: right;"><b>(B)</b></span>	<b>492.83</b>	<b>2,927.99</b>
Weighted average loss rate (in percentage) <span style="float: right;"><b>(C=B/A)</b></span>	<b>86.66%</b>	<b>96.24%</b>

## Notes to the Standalone Financial Statements

### 32 (ia) Ageing Schedule in respect of trade receivables for the year ended March 31, 2025 and March 31, 2024

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables- considered good	<b>48.64</b> (109.14)	<b>20.19</b> (1.11)	<b>2.52</b> (4.04)	<b>4.53</b> -	-	-	<b>75.88</b> (114.29)
(b) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables- credit impaired	-	-	-	-	-	<b>492.83</b>	<b>492.83</b>
(d) Disputed trade receivables- considered good	-	-	-	(112.63)	-	(2,815.36)	(2,927.99)
(e) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>48.64</b> (109.14)	<b>20.19</b> (1.11)	<b>2.52</b> (4.04)	<b>4.53</b> (112.63)	-	<b>492.83</b> (2,815.36)	<b>568.71</b> (3,042.28)
Less: Loss allowance for doubtful debts							<b>492.83</b> (2,927.99)
<b>Total</b>							<b>75.88</b> (114.29)
Unbilled Revenue							-
<b>Total</b>							<b>75.88</b> (114.29)

Note: Previous year figures are given in brackets.

### Financial Risk Management

#### 32 (ii) Liquidity risk:

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

## Notes to the Standalone Financial Statements

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

₹ in Lakhs

Particulars	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
<b>Non-derivatives Borrowings</b>						
From Others	<b>35,500.00</b> (35,500.00)	-	<b>35,500.00</b> (35,500.00)	-	-	-
Trade Payables	<b>2,565.92</b> (2,286.29)	-	<b>2,565.92</b> (2,286.29)	-	-	-
<b>Other financial liabilities</b>						
- Capital Creditors	<b>7.11</b> (5.88)	-	<b>7.11</b> (5.88)	-	-	-
- Employee Benefits Payable	<b>194.96</b> (209.63)	-	<b>194.96</b> (209.63)	-	-	-
- Others	-	-	-	-	-	-
<b>Total non-derivative liabilities</b>	<b>38,267.99</b> (38,001.80)	-	<b>38,267.99</b> (38,001.80)	-	-	-

\*The liabilities having maturities of less than one year primarily includes borrowings obtained from significant promoter shareholder "HCL Corporation Private Limited" as part of financial support, also refer note 53.

Note: Previous year figures are given in brackets.

### 32 (iia) Ageing Schedule in respect of trade payable for the year ended March 31, 2025 and March 31, 2024

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME*	<b>13.53</b> (24.58)	-	-	-	-	<b>13.53</b> (24.58)
(b) Others	<b>21.52</b> (8.90)	<b>8.19</b> (62.64)	<b>2.20</b> (80.76)	<b>74.10</b> (42.63)	<b>479.82</b> (416.19)	<b>585.83</b> (611.12)
(c) Disputed dues - MSME*	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	<b>192.30</b> (192.30)	<b>192.30</b> (192.30)
<b>Total</b>	<b>35.05</b> (33.48)	<b>8.19</b> (62.64)	<b>2.20</b> (80.76)	<b>74.10</b> (42.63)	<b>672.12</b> (608.49)	<b>791.66</b> (828.00)
Unbilled Dues						<b>1,774.26</b> (1,458.29)
<b>Total</b>						<b>2,565.92</b> (2,286.29)

Note: Previous year figures are given in brackets.

\*MSME includes micro and small enterprises.

## Notes to the Standalone Financial Statements

### Financial Risk Management

#### 32 (iii) Market Risk

##### (i) Mutual Fund risk

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

##### (ii) Interest rate risk

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

##### (iii) Foreign currency risk

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

##### (a) Foreign currency risk exposure

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

		₹ in Lakhs
Particulars		USD
<b>Financial Assets</b>		
Trade receivables		<b>682.64</b> (665.15)
<b>Cash and cash equivalents</b>		- (0.00)
<b>Net exposure to foreign currency risk (assets)</b>		<b>682.64</b> (665.15)
<b>Financial Liabilities</b>		
Trade Payables		<b>350.72</b> (452.09)
<b>Derivative liabilities</b>		
Foreign exchange forward contracts		- (0.00)
<b>Net exposure to foreign currency risk (liabilities)</b>		<b>350.72</b> (452.09)

Note: Previous year figures are given in brackets.

##### (a) Sensitivity

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

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (₹ in Lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024
USD sensitivity (assets)	5%	<b>34.13</b>	33.26	<b>(34.13)</b>	(33.26)
USD sensitivity (liabilities)	5%	<b>(17.54)</b>	(22.60)	<b>17.54</b>	22.60



## Notes to the Standalone Financial Statements

### 33 Capital Management

#### Risk Management

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

The capital structure as at 31.03.2025 and 31.03.2024 are as follows:

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Total Debt	<b>35,500.00</b>	35,500.00
Equity	<b>(29,260.95)</b>	(27,069.73)
Capital and net debt	<b>6,239.05</b>	8,430.27
Gearing ratio*	<b>569.00%</b>	421.10%

\* The company has no external borrowings other than borrowing obtained from significant promoter shareholder "HCL Corporation Private Limited" as part of financial support, also refer note 53.

### 34 Exceptional items:

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
a. Provision for impairment in the value of unquoted long term investments#	<b>(4.25)</b>	-
b. Loss allowance against loan given to Pimpri Chinchwad eServices Limited#	<b>(3.83)</b>	-
c. Provision for losses of HCL Infotech Limited*	<b>(1,277.17)</b>	(1,504.00)
d. Profit on sale of properties (refer note 47)	<b>583.88</b>	1,196.36
<b>Total</b>	<b>(701.37)</b>	(307.64)

# The Company had made investment and also extended loan to Pimpri Chinchwad eServices Limited to support its operations. However, the management does not foresee any cash generating operations in the company to enable the repayment of loan. Moreover, the subsidiary has been making continuous losses and its net worth is fully eroded. Hence, a provision for impairment of investment in such subsidiary as well as loss allowance against loan given to such subsidiary has been made during the year.

\* The Company has made provision of ₹ 1,277.17 lakhs (2024- ₹ 1,504.00 lakhs), on account of accumulated losses and erosion of net worth of HCL Infotech Limited, as at the balance sheet date. HCL Infotech Limited has been incurring operational losses during the last few years due to various reasons including delay in collections of receivables, challenging market conditions, cost overruns and legal expenses in respect of long-term contracts. Considering the fact that most of these long-term contracts were originally entered with the Company and transferred to HCL Infotech Limited through the Scheme of Arrangement in the past, there is a constructive obligation for the Company to provide operational and financial support to HCL Infotech Limited for execution of its contracts. This constructive obligation is also supported by the past practice followed by the Company wherein it has been, from time to time, voluntarily extending financial support to its subsidiaries, even during challenging market circumstances. Such continuous and timely support from the Company has helped fund the losses of its subsidiaries and enabled them to meet their financial obligations without any delays/ defaults. Basis the same, the Company is creating provision for losses of subsidiary in the standalone financials to the extent of accumulated losses and erosion of net worth of subsidiary, as at the reporting date. This has been treated as a present obligation of the Company wherein it is probable that an outflow of resources will be required to support HCL Infotech and pay its liabilities that are more than its assets as on reporting date, as required by IndAS 37.

## Notes to the Standalone Financial Statements

### 35 a) Contingent liabilities:

Claims against the Company not acknowledged as debts:

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Sales tax*	7,811.23	9,258.92
Excise, Service Tax and Customs*	45,932.66	45,982.10
Income tax	2,428.37	4,259.36
Industrial disputes, civil suits and consumer disputes	258.04	414.50

\* The company has deposited ₹ 12,466.00 lakhs (2024 - ₹ 12,681.01 lakhs) under protest against these claims.

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

### b) Other litigations :

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business. Some of these matters include speculative and frivolous claims. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2025.

- c) As at 31.03.2025, the Company has certain sales tax and other indirect tax litigation matters against which provision amounts to ₹ 1,230.93 lakhs (2024 - ₹ 1,230.36 lakhs) is outstanding. Provision amounting to ₹ 63.82 lakhs (2024 - ₹ 200.06 lakhs) was created and ₹ 63.25 lakhs (2024 - ₹ 273.31 lakhs) was utilized during the year i.e towards repayment under one time settlement/ amnesty schemes.

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

Particulars	As at 31.03.2025	As at 31.03.2024
a. (i) Principal amount remaining unpaid to any supplier as at the end of the year	13.53	9.17
(ii) Interest due on the above amount	-	-
b. (i) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act)	-	-
(ii) Amount of principal payments made to the suppliers beyond the appointed day during the year	7.10	76.60
c. Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act	-	2.11
d. Amount of interest accrued and remaining unpaid at the end of the year	-	2.11
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

- 37 As per provisions of Section 135 of the Companies Act, 2013, the Company has to provide at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). The Company was not required to spend/contribute to CSR activity during the year as per Section 135 of the Companies Act, 2013 as average net profit for the last three financial year is negative.

## Notes to the Standalone Financial Statements

### 38 Remuneration to Auditors\*:

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
For statutory audit including limited review	43.50	40.50
For tax audit	1.00	1.00
For group reporting and certifications	7.00	7.75
For reimbursement of expenses	5.15	4.93
<b>Total</b>	<b>56.65</b>	<b>54.18</b>

\* excluding GST as applicable

### 39 Status of Charges beyond statutory period (borrowings)

The following satisfaction is yet to registered with Registrar of Companies beyond statutory period for the year ended March 31, 2025.

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

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

### 40 Leases:

#### Cancelable Operating Leases

##### As a Lessee

In terms of criteria specified in Ind AS 116 Leases, the company does not have any lease other than with short term period. Rent expenses in respect of short term leases amounting ₹ 66.89 lakhs (2024 - ₹ 63.95 lakhs) is expensed off on straight line basis over lease term as rent expenses (refer note 30).

### 41 Earnings/(Loss) per share (EPS)

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

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Loss after tax (₹ in Lakhs)	(2185.14)	(1554.88)
Weighted average number of shares outstanding in computation of Basic EPS	32,92,09,928	32,92,09,928
Weighted average number of shares outstanding in computation of Diluted EPS	32,92,09,928	32,92,09,928
Basic and diluted (of ₹ 2/- each)	- ₹ 0.66	- ₹ 0.47

## Notes to the Standalone Financial Statements

### 42 Segment Reporting

The Company had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, management has reassessed the segment disclosure and believes that with the scale down of the Distribution business which is limited to providing IT support services (primarily annual maintenance activities) and progressive decline in learning operations, the Chief Operating Decision maker primarily focusses on combined business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Company has aggregated its segments into a single segment which is providing IT support services and hence no separate disclosure is required for Segment as per Ind AS 108 'Operating Segments'.

### 43 Employee benefits

#### (a) Defined Contribution

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

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
(i) Employers Contribution to Superannuation Fund*	2.93	2.30
(ii) Employers Contribution to National Pension Scheme*	2.96	2.32
(iii) Employers contribution to Employee State Insurance*	-	0.06
(iv) Employers contribution to Employee's Pension Scheme 1995*	4.40	4.78
(v) Employers contribution to Provident Fund*	11.95	10.32

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

#### (b) Defined Benefit

Gratuity

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

Particulars	Gratuity	
	Year ended 31.03.2025	Year ended 31.03.2024
Discount rate (per annum)	6.54%	7.21%
Rate of increase in compensation levels	8.00%	7.00%
Expected average remaining working lives of employees (years)	8.62	9.94

As of 31.03.2025, every 0.5 percentage point increase / decrease in discount rate will affect gratuity benefit obligation by approximately ₹ 1.40 lakhs.

As of 31.03.2025, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect gratuity benefit obligation by approximately ₹ 1.37 lakhs.

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

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

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

# Notes to the Standalone Financial Statements

₹ in Lakhs

Particulars	Gratuity	
	As at 31.03.2025	As at 31.03.2024
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>		
<b>Present value of obligation at the beginning of the year</b>	<b>81.12</b>	81.05
Current service cost	<b>5.56</b>	5.05
Interest cost	<b>5.85</b>	5.90
<b>Total amount recognised in profit or loss</b>	<b>11.41</b>	10.95
Actuarial (gain)/loss from change in demographic assumptions	<b>(0.24)</b>	0.02
Actuarial (gain)/loss from change in financial assumptions	<b>5.34</b>	0.29
Experience (gain)/loss	<b>0.98</b>	(0.36)
<b>Total amount recognised in other comprehensive income</b>	<b>6.08</b>	(0.05)
Benefits paid	<b>(4.02)</b>	(10.83)
<b>Present value of obligation at the end of the year</b>	<b>94.59</b>	81.12

₹ in Lakhs

Particulars	Gratuity	
	As at 31.03.2025	As at 31.03.2024
<b>Cost recognised for the year :</b>		
Current service cost	<b>5.56</b>	5.05
Interest cost	<b>5.85</b>	5.90
Actuarial (gain)/loss	<b>6.08</b>	(0.05)
<b>Net cost recognised for the year*</b>	<b>17.48</b>	10.90

\* Included in salaries, wages, bonus and gratuity for gratuity and contribution to provident and other funds for provident fund under employee benefits expense (refer note 28) and other comprehensive income.

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

₹ in Lakhs

Particulars	Gratuity	
	As at 31.03.2025	As at 31.03.2024
Present value of the obligation as at the end of the year	<b>94.59</b>	81.12
Assets/(Liabilities) recognised in the Balance Sheet*	<b>(94.59)</b>	(81.12)
Experience adjustment in plan liabilities	<b>0.98</b>	(0.36)

\*Excluding liabilities of ₹ 0.01 lakh (2024 - ₹ 0.02 lakh) for inactive employees

## Notes to the Standalone Financial Statements

### 44 Disclosure of related parties and related party transactions:

#### a) Company having substantial interest:

HCL Corporation Private Limited

#### b) List of parties where control exists/existed:

##### Subsidiaries:

HCL Infotech Limited

Pimpri Chinchwad eServices Limited (holding 85% of shareholding)

##### Step down subsidiaries:

HCL Investments Pte. Limited, Singapore

Nurture Technologies FZE, (formerly known as HCL Infosystems MEA FZE), Dubai [liquidated on April 03, 2025]

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

HCL Technologies Limited

SSN Trust

VAMA Sundari Investments (Delhi) Private Limited

SSN Investments (Pondi) Private Limited

#### d) Key Management Personnel:

Mr. Alok Sahu - Chief Financial Officer

Mr. Raj Kumar Sachdeva- Manager

Ms. Komal Bathla- Company Secretary (upto February 25, 2025)

Ms. Twinkle Monga- Company Secretary (appointed w.e.f. May 23, 2025)

#### e) Independent & Non-Executive Director:

Dr. Nikhil Sinha, Chairman

Ms. Ritu Arora

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

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

#### f) Non- Independent & Non-Executive Director:

Mr. Pawan Kumar Danwar

Mr. Neelesh Agarwal

Ms. Rita Gupta (appointed w.e.f. February 07, 2025)

## Notes to the Standalone Financial Statements

Summary of Related Party disclosures	Company having substantial interest*		Subsidiaries#		Others		Key Management Personnel		Total	
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24
<b>A. Transactions (YTD)</b>										
<b>Loss allowance on loan and advances</b>										
- Pimpri Chinchwad eServices Limited	-	-	3.83	-	-	-	-	-	3.83	-
<b>Impairment of Investments</b>										
- Pimpri Chinchwad eServices Limited	-	-	4.25	-	-	-	-	-	4.25	-
<b>Current borrowings taken</b>										
- Pimpri Chinchwad eServices Limited	45,500.00	35,500.00	-	-	-	-	-	-	45,500.00	35,500.00
<b>Current borrowings repaid</b>										
- Pimpri Chinchwad eServices Limited	45,500.00	35,500.00	-	-	-	-	-	-	45,500.00	35,500.00
<b>Loans and Advances Given (Net)</b>										
- Pimpri Chinchwad eServices Limited	-	-	0.90	0.75	-	-	-	-	0.90	0.75
<b>Interest Charged on Loans &amp; Advances Given</b>										
- Pimpri Chinchwad eServices Limited	-	-	0.90	0.75	-	-	-	-	0.90	0.75
<b>Interest on OCD (Income) %</b>										
- HCL Infotech Limited	-	-	39.66	39.77	-	-	-	-	39.66	39.77
<b>Rent Expense</b>										
- SSN Investments (Pond) Private Limited	0.12	0.12	-	-	25.68	25.68	-	-	25.80	25.80
- HCL Corporation Private Limited	0.12	0.12	-	-	25.56	25.56	-	-	25.56	25.56
- VAMA Sundari Investments (Delhi) Private Limited	-	-	-	-	0.12	0.12	-	-	0.12	0.12
<b>Remuneration</b>										
- Mr. Alok Sahu	-	-	-	-	-	-	224.92	210.36	224.92	210.36
- Ms. Komal Bathla	-	-	-	-	-	-	114.84	109.36	114.84	109.36
- Mr. Raj Sachdeva	-	-	-	-	-	-	20.23	17.52	20.23	17.52
<b>Director Sitting fees</b>										
- Ms. Sangeeta Talwar	-	-	-	-	34.47	42.75	-	-	34.47	42.75
- Mr. Kaushik Dutta	-	-	-	-	-	10.50	-	-	-	10.50
- Ms. Ritu Arora	-	-	-	-	-	8.25	-	-	-	8.25
- Mr. Nikhil Sinha	-	-	-	-	11.25	8.25	-	-	11.25	8.25
- Mr. Raghu Venkat Chivukula	-	-	-	-	8.97	9.75	-	-	8.97	9.75
- Mr. Kirti Kumar Dawar	-	-	-	-	6.75	3.00	-	-	6.75	3.00
<b>Reimbursements towards expenditure</b>										
a) Received										
- HCL Infotech Limited (towards common cost allocation)	-	-	611.87	636.09	-	-	-	-	611.87	636.09
b) Paid										
- HCL Infotech Limited	-	-	2.93	5.91	5.69	12.05	-	-	8.62	17.96
- SSN Investments (Pond) Private Limited	-	-	-	-	5.69	12.05	-	-	2.93	5.91
									5.69	12.05



## Notes to the Standalone Financial Statements

	₹ in Lakhs									
	Company having substantial interest*		Subsidiaries#		Others		Key Management Personnel		Total	
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24
<b>B. Amount due to / from related parties</b>										
Investment in Pimpri Chinchwad eServices Limited. (Gross)	-	-	4.25	4.25	-	-	-	-	4.25	4.25
Investment in HCL Infotech Limited (Gross)	-	-	66,846.04	66,846.04	-	-	-	-	66,846.04	66,846.04
Impairment allowance on investment in Pimpri Chinchwad eServices Limited	-	-	(4.25)	-	-	-	-	-	(4.25)	-
Impairment allowance on investment in HCL Infotech Limited	-	-	(66,846.04)	(66,846.04)	-	-	-	-	(66,846.04)	(66,846.04)
<b>Trade Receivables</b>										
- HCL Infotech Limited	-	-	-	38.12	-	8.49	-	-	-	46.61
- HCL Technologies Limited	-	-	-	38.04	-	-	-	-	-	38.04
- HCL Corporation Private Limited	-	0.09	-	-	-	8.48	-	-	-	8.48
- Others	-	-	-	0.08	-	0.01	-	-	-	0.09
<b>Current borrowings from HCL Corporation Limited</b>	35,500.00	35,500.00	-	-	-	-	-	-	35,500.00	35,500.00
<b>Loans and Advances (Gross) given to Pimpri Chinchwad eServices Limited^</b>	-	-	3.83	2.96	-	-	-	-	3.83	2.96
Impairment allowance on loan and advances	-	-	(3.83)	-	-	-	-	-	(3.83)	-
<b>Trade Payables</b>	0.01	0.12	56.80	43.80	0.01	0.12	-	-	56.82	44.04
- HCL Infotech Limited	-	-	56.80	43.80	-	-	-	-	56.80	43.80
- VAMA Sundari Investments (Delhi) Private Limited	-	-	-	-	0.01	0.12	-	-	0.01	0.12
- HCL Corporation Private Limited	0.01	0.12	-	-	-	-	-	-	0.01	0.12
<b>Investment in Optionally Convertible Debentures (OCD) of HCL Infotech Limited %</b>	-	-	9.78	9.89	-	-	-	-	9.78	9.89
<b>Other current financial assets</b>	-	-	197.92	263.66	6.39	6.39	-	-	204.31	270.04
- HCL Infotech Limited	-	-	197.61	263.45	-	-	-	-	197.61	263.45
- SSN Investments (Pondri) Private Limited	-	-	-	-	6.39	6.39	-	-	6.39	6.39
- Pimpri Chinchwad eServices Limited	-	-	0.31	0.21	-	-	-	-	0.31	0.21

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

\*Corporate guarantee from HCL Corporation Private Limited utilised ₹ 5,704.77 lakhs (2024 - ₹ 305.04 lakhs), this includes utilisation in the form of bank guarantee issued on behalf of projects of HCL Infotech Limited of ₹ 5,144.55 lakhs (2024 - ₹ Nil). Further, ₹ 464.23 lakhs (2024 - ₹ 7.10 lakhs) utilised in the form of bank guarantee with respect to taxation matters of the company, also refer note 53.

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

% Includes adjustment of LCD amounting to ₹ 39,664.37 lakhs against subscription of the 39,66,437 (numbers) 0.1% Optionally Convertible Debentures (OCDs) of a face value of 1000 each and interest recoverable on OCDs of ₹ 9.78 lakhs (2024 - ₹ 9.89 lakhs). (refer Note 49)

## Notes to the Standalone Financial Statements

₹ in Lakhs

Compensation of key management personnel of the Company	Year ended 31.03.2025	Year ended 31.03.2024
Short-term employee benefits*	224.92	210.36
<b>Total compensation paid to key management personnel</b>	<b>224.92</b>	<b>210.36</b>

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

\*short term employee benefits for the year include post employment benefits comprising gratuity, and compensated absences.

### 45 Disclosures pursuant to the section 186(4) of the Companies Act 2013 and regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

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

₹ in Lakhs

A. Loans to subsidiaries	As at 31.03.2025		As at 31.03.2024	
a. Name	Pimpri Chinchwad eServices Limited	HCL Infotech Limited	Pimpri Chinchwad eServices Limited	HCL Infotech Limited
b. Balance outstanding at the year end	-	-	2.96	-
c. Maximum amount outstanding	3.83	-	2.96	-

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

₹ in Lakhs

	31.03.2025	31.03.2024
<b>C. Loans and advances in the nature of loans to firms/ companies in which directors are interested</b>	Nil	Nil

₹ in Lakhs

	31.03.2025	31.03.2024
<b>D. Investment by the loanees in the shares of the Company</b>		
a. Name of the Loanee	Nil	Nil
b. Balance outstanding at the year end	Nil	Nil
c. Maximum amount outstanding during the year ended	Nil	Nil
d. Investments made by the Loanee	Nil	Nil
e. Maximum amount of investment during the year ended	Nil	Nil

### 46 Taxation:

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

## Notes to the Standalone Financial Statements

### (b) Deferred Tax:

#### Unrecognized deferred tax assets

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

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Deductible temporary differences	14,825.49	16,341.96
Unused tax losses	40,948.27	45,100.64
<b>Total temporary differences and unused tax losses</b>	<b>55,773.76</b>	<b>61,442.60</b>
Potential tax benefit @ 22.88% (FY'2024 - 22.88%)	12,761.04	14,058.07
Unutilized tax credit	-	-
<b>Total Potential tax benefit @ 22.88% (FY'2024 - 22.88%)</b>	<b>12,761.04</b>	<b>14,058.07</b>

### (c) Income tax expense:

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

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
<b>Income tax expense - current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Decrease in MAT credit	-	-
Decrease / (increase) in deferred tax assets	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

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

₹ in Lakhs

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	Year ended 31.03.2025	Year ended 31.03.2024
Loss before tax from continuing operations	(2,185.14)	(1,554.88)
<b>Tax using the company's domestic tax rates of 22.88% (2024 - 22.88%)</b>	<b>(499.96)</b>	<b>(355.76)</b>
<b>Disallowances for which deferred tax not created</b>		
Provision for loss in subsidiary	292.22	344.12
Temporary differences on which no DTA recognised	(38.23)	(60.73)
Long term capital (income)/loss for which no deferred tax recognised	-	(313.52)
Tax losses on which no deferred tax was recognized	245.97	385.89
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

## Notes to the Standalone Financial Statements

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

₹ in Lakhs

Expiry Date	As at 31.03.2025	As at 31.03.2024
31.03.2025	-	4,430.96
31.03.2026	7,205.25	7,205.25
31.03.2027	5,079.65	5,079.65
31.03.2028	12,693.22	12,693.22
31.03.2029	12,155.95	12,155.95
31.03.2032	302.01	1,097.59
31.03.2033	908.63	-
No limit	2,603.56	2,438.02
<b>Total</b>	<b>40,948.27</b>	<b>45,100.64</b>

Note: Excluding unused capital loss.

- 47** In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. The remaining Company's properties are not being fully utilized due to changes in the business of the Company, therefore as a part of ongoing property monetisation plan, during the year ended, March 31, 2025, the Company has disposed one property situated in Mumbai, having net carrying amount of ₹ 51.12 lakhs, for a consideration of ₹ 635 lakhs, resulting in overall gain of ₹ 583.88 lakhs. (similar gain recognised of ₹ 1,196.36 lakhs for the year ended March 31, 2024).
- 48** The Board of Directors of the Company in its meeting held on March 23, 2021, had consented to adjust the unsecured loan advanced to HCL Infotech Limited, a wholly-owned subsidiary, amounting to ₹ 40,000 lakhs, against the subscription money payable by the Company to HCL Infotech Limited, for subscription of the 40,00,000 (numbers) 0.1% Optionally Convertible Debentures (OCD) of a face value of ₹ 1,000 each (Indian Rupees One thousand only) issued, on private placement basis to the Company, pursuant to terms of OCD Subscription Agreement dated March 31, 2021 between the Company and HCL Infotech Limited. The outstanding number of OCDs as on March 31, 2025 is 39,66,437 (2024- 39,66,437).
- 49** The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 48, issued to the Company shall be redeemed only from and to the extent of the proceeds from certain specified book receivables and favourable awards received by the HCL Infotech Limited in accordance with the terms set out in the OCD Subscription Agreement. Accordingly, HCL Infotech Limited transferred its rights to receive cash flows from those specified book receivables and favourable awards to the Company and the aforesaid transaction meets the pass-through arrangement criteria, as per the requirements of Ind AS 109 Financial Instruments. Therefore, the outstanding balance of specified books receivables of ₹ 1,892 lakhs (including amount of ₹ 867 lakhs of the contract assets) derecognized in the financial statements of HCL Infotech Limited and recognized at fair value against the OCDs by the Company as at March 31, 2021. The fair value of such OCDs is ₹ Nil as at March 31, 2025 (2024- ₹ Nil), also refer note 54.
- 50** Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion wherever considered necessary, the Company has credited its Statement of Profit and Loss on account of write back of certain provisions of ₹ 166.02 lakhs, for the year ended March 31, 2025 (2024: ₹ 501.42 lakhs) and reversal of loss allowance for doubtful debts ₹ 134.67 lakhs, for the year ended March 31, 2025 (2024: ₹ 159.86 lakhs).

## Notes to the Standalone Financial Statements

### 51 Ratios

The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024

S.No	Ratio	Numerator	Denominator	31.03.2025	31.03.2024	%variance	Reason for variance
a.	Current Ratio	Current Assets	Current Liabilities	0.13	0.15	-15.18%	N.A
b.	Debt-Equity Ratio	Total Debt	Shareholder's Equity	(1.76)	(1.85)	-4.93%	N.A
c.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	N.A	N.A	N.A	N.A
*Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.							
*Debt Service = Interest & Lease Payments + Principal Repayments							
d.	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	7.76%	5.91%	1.84%	N.A
e.	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	721.18	-	100%	Nil inventory in last year
f.	Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	3.56	4.11	-13.16%	N.A
g.	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.14	0.21	-32.97%	Lower business volume
h.	Net capital turnover ratio	Net Sales	Average Working Capital	(0.01)	(0.01)	-30.06%	Lower business volume
*Working Capital = Current Assets - Current Liabilities							
*Average Working Capital = Opening working capital - Closing working capital							
i.	Net profit ratio	Net Profit	Net Sales	-645%	-328%	-317.01%	Lower other income in current year
j.	Return on Capital employed	Earning before interest and taxes	Capital Employed	-35%	-18%	-16.58%	N.A
*Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability							
k.	Return on investment	Income on investments	Cost of Investments	0.07	0.07	-0.21%	N.A

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

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

### 52 Relationship with struck off Companies for the year ended March 31, 2025 and March 31, 2024

₹ in Lakhs

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

## Notes to the Standalone Financial Statements

₹ in Lakhs

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Vs Infocom	Trade Receivable	- (0.37)	Customer
Chiptek Systems Pvt Limited	Trade Receivable	- (3.33)	Customer
Creative Academy Private Limited	Trade Receivable	- (0.65)	Customer
Falcon Infosoft Private Limited	Trade Receivable	- (0.73)	Customer
Ishita Technologies Private Limited	Trade Receivable	- (0.02)	Customer

**Note:**

1. Previous year figures are given in brackets.
2. Amount in '00' represents less than ₹ one thousand

**53** The Company has continuously made losses during past years and its net worth has been fully eroded. Further the Company has incurred a net loss of ₹ 2,185.14 lakhs, during the year ended March 31, 2025 (year ended March 31, 2024: net loss ₹ 1,554.88 lakhs) and the Company's current liabilities exceeded its current assets by ₹ 44,909.53 lakhs as at March 31, 2025 (March 31, 2024: ₹ 42,556.82 lakhs). The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression.

The Company had originally entered into multiple long term contracts forming part of erstwhile 'Hardware Solutions Business' which was transferred to HCL Infotech Limited through Scheme of Arrangement with the remaining term of ongoing contract upto year 2031. Therefore, there is a constructive obligation for the Company to provide operational and financial support to HCL Infotech Limited for execution of its contracts (also refer note 34). Further, such transferred business has continued to face challenges in obtaining timely customer acceptance and sign-offs for completed projects, leading to delays in receiving payments. As a result, though the number of contracts reaching closure has increased, there is no significant progress in recovering outstanding receivables from customers. To address this issue, the Company has initiated arbitration proceedings against several customers to recover the dues owed. Accordingly, the management will ensure continuity of operations to support execution of long terms contracts originally assigned to the Company and recovery of dues owned by HCL Infotech Limited that are held up for a long time.

To ensure the necessary financial support for above operations, the Board of Directors of HCL Corporation Private Limited (a significant promoter shareholder) has approved support in the form of corporate guarantees to banks of ₹ 39,600 lakhs [utilised ₹ 5,704.77 lakhs (2024 - ₹ 305.04 lakhs)] and interest free unsecured loans of ₹ 35,500 lakhs [utilised ₹ 35,500 lakhs (2024 - ₹ 35,500 lakhs)] to HCL Infosystems Limited out of total authorized limit of ₹ 1,50,000 lakhs. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the management and the Board of Directors have a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations including long term contracts transferred to HCL Infotech Limited and liabilities as they fall due in the near future in the normal course of business. Accordingly, these standalone financial results have been prepared on a going concern basis.

**54** HCL Infosystems Limited (HCLI) has initiated Arbitration Proceedings with respect to dispute against the customers for contracts which were originally awarded to HCLI and were subsequently transferred to HCL Infotech Limited (Infotech) under the Scheme of Arrangement in 2013 as approved by Delhi High Court. Further as part of issuance of Optionally Convertible Debentures (OCDs), in earlier years the Infotech has transferred its rights to receive cash flows from these projects to the HCLI and as per the terms of OCDs, cash collected shall be utilized to redeem OCDs.

Against one of such contract, Infotech has received an amount of ₹ 12,341.73 Lakhs in earlier years against equivalent Bank Guarantee. For another contract, part payment of ₹ 1,330.52 Lakhs was received during the year ended March 31, 2025 against equivalent Bank Guarantee. However, since counterparty's appeal in these matters is sub-judice (pending disposal) before the High Court, amount has not been utilized for redemption of OCDs in accordance with

## Notes to the Standalone Financial Statements

the terms of OCDs arrangement and hence shown as amount collected under litigation as a part of other current liabilities in the financial statement of HCL Infotech Limited.

**55** The Company in earlier years entered into Share Purchase Agreement (SPA) dated May 31, 2018 with Karvy Data Management Services Limited for sale of shares in HCL Services Limited As per clause 2.3 of SPA, business consideration of ₹ 648.81 lakhs represents the Second Stage Consideration linked with the Income Tax refunds receivable for the period upto the Financial Year March 31, 2018. The above amount represents refunds due for the Assessment Years 2015-16 and 2018-19 held up due to appeals pending for these Assessment Years from 2015-16 to 2018-19. Karvy is obligated to pay these amounts only on receipt of the same from the Income tax department. The management has assessed the probability of these tax refunds basis which a favourable outcome is expected accordingly refunds will be received from the Income tax department for all the years.

**56** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### **57 Other Statutory Information**

- a) The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- b) The company is not declared a wilful defaulter by any bank or financial institution or any other lender.
- c) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- d) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- e) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f) There is no immovable properties not held in the name of the company.
- g) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### **58 Subsequent Events**

The Company evaluated all events or transactions that occurred after March 31, 2025 through May 23, 2025, the date the Company issued these financial statements. During this period, the Company did not have any material recognizable subsequent events.

As per our report of even date attached

#### **For B S R & Associates LLP**

*Chartered Accountants*

ICAI Registration Number-116231W/W-100024

#### **Girish Arora**

*Partner*

Membership Number - 098652

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

#### **Pawan Kumar Danwar**

*Director*

DIN - 06847503

#### **Alok Sahu**

*Chief Financial Officer*

#### **Raghu Venkat Chivukula**

*Director*

DIN - 00520704

#### **Raj Kumar Sachdeva**

*Manager*

#### **Twinkle Monga**

*Company Secretary*

**New Delhi: May 23, 2025**

**Noida : May 23, 2025**





**HCL INFOSYSTEMS**

# Independent Auditor's Report

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

## **Opinion**

We have audited the consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

## **Basis for Opinion**

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

## **Material Uncertainty Related to Going Concern**

We draw attention to note 45 to the consolidated financial statements, which states that the Group has continuously made losses for past several years and its net worth is fully eroded. Further, the Group's current liabilities exceed its current assets as at 31 March 2025 by ₹ 48,174.86 lakhs (31 March 2024: ₹ 51,748.49 lakhs). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern i.e. whether the Group will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business.

Our opinion is not modified in respect of this matter.

## **Key Audit Matter**

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

## **Other Information**

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

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

## Independent Auditor's Report

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

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

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

The Group's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Group, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

## Independent Auditor's Report

a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (after consolidation adjustments) of ₹ 0.82 lakh as at 31 March 2025, total revenues (after consolidation adjustments) of ₹ Nil and net cash inflows (after consolidation adjustments) amounting to ₹ 0.81 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

- b. The financial statements of two overseas subsidiaries, whose financial statements reflects total assets (after consolidation adjustments) of ₹ 364 lakhs as at 31 March 2025, total revenues (after consolidation adjustments) of ₹ Nil and net cash outflows (after consolidation adjustments) amounting to ₹ 15 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

## Independent Auditor's Report

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. The going concern matter described in the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - f. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 and 01 April 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts. Refer Note 20 to the consolidated financial statements in respect of such items as it relates to the Group. The Group does not have any derivative contracts during the year ended 31 March 2025.
  - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.
  - d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the

## Independent Auditor's Report

Holding Company and subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 44 to the consolidated financial statements, no funds have been received by the Holding Company and subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, and that performed by the respective auditors of subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and one of its subsidiary company incorporated in India have used an accounting software, operated by a third party service provider, for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the said software, except that in the absence of an independent auditor's report in relation to controls at a service organisation for the said software, we are unable to comment whether audit trail feature for the said software was enabled at database level. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved as per the statutory requirements for record retention wherever such audit trail was maintained by the respective Company.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies is in accordance with the provisions of Section 197 of the Act. The Remuneration paid to any of director by the holding company and its subsidiary companies, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

*Chartered Accountants*

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

**Girish Arora**

*Partner*

Membership No.: 098652

ICAI UDIN: 25098652BMKXQA6822

Place : New Delhi

Date : 23 May 2025

# Annexure A To Independent Auditor's Report

## Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of HCL Infosystems Limited for the year ended 31 March 2025

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

(xii) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	HCL Infosystems Limited	L72200DL1986PLC023955	Holding Company	3(xvii)
2	HCL Infosystems Limited	L72200DL1986PLC023955	Holding Company	3(xix)
3	HCL Infotech Limited	U72200DL2012PLC242944	Wholly owned subsidiary	3(xvii)
4	HCL Infotech Limited	U72200DL2012PLC242944	Wholly owned subsidiary	3(xix)
5	Pimpri Chinchwad eServices limited	U72200DL2010PLC208539	Subsidiary	3(xvii)

For **B S R & Associates LLP**

*Chartered Accountants*

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

**Girish Arora**

*Partner*

Membership No.: 098652

ICAI UDIN: 25098652BMKXQA6822

Place : New Delhi

Date : 23 May 2025

## Annexure B To Independent Auditor's Report

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of HCL Infosystems Limited for the year ended 31 March 2025.**

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

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

### **Opinion**

In conjunction with our audit of the consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as "the Group") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Group and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to



## Annexure B To Independent Auditor's Report

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.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Associates LLP**

*Chartered Accountants*

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

**Girish Arora**

*Partner*

Membership No.: 098652

ICAI UDIN: 25098652BMKXQA6822

Place : New Delhi

Date : 23 May 2025



# Consolidated Balance Sheet

as at March 31, 2025

	Notes	As at 31.03.2025 ₹ in Lakhs		As at 31.03.2024 ₹ in Lakhs	
<b>I. ASSETS</b>					
<b>(1) Non-current assets</b>					
Property, plant and equipment	3(a)	154.28		224.80	
Intangible assets	3(b)	20.01		26.43	
Capital work-in-progress	3(c)	9.14		-	
Financial Assets					
(i) Other financial assets	5	1,170.91		6,293.39	
Deferred tax assets (net)	6 (a)	-		-	
Income tax assets (net)	6 (b)	4,492.24		5,171.14	
Other non-current assets	7	13,392.17	19,238.75	13,319.29	25,035.05
<b>(2) Current assets</b>					
Inventories	8	29.43		37.08	
Financial assets					
(i) Investments	4	3,613.79		2,642.63	
(ii) Trade receivables	9				
(a) Billed		1,647.91		1,796.83	
(b) Unbilled		12.96		51.94	
(iii) Cash and cash equivalents	10	870.83		1,407.34	
(iv) Bank balances other than (iii) above	11	15,629.69		11,788.48	
(v) Other financial assets	12	6.39		6.39	
Other current assets	13	2,260.82		2,794.50	
Assets held for sale	43	10.00	24,081.82	10.00	20,535.19
<b>Total Assets</b>			<b>43,320.57</b>		<b>45,570.24</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
<b>Equity attributable to the owners of HCL Infosystems Limited</b>					
Equity share capital	14 (a)	6,584.21		6,584.21	
Other equity	14 (b)	(35,681.97)	(29,097.76)	(33,516.16)	(26,931.95)
<b>(2) Liabilities</b>					
<b>Non-current liabilities</b>					
Non-current provisions	15	161.65		218.51	
Deferred tax liabilities (net)	36	-	161.65	-	218.51
<b>Current liabilities</b>					
Financial liabilities					
(i) Borrowings	16	35,500.00		35,500.00	
(ii) Trade payables	17				
- Total outstanding dues of micro enterprises and small enterprises		20.30		33.66	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,703.61		5,856.03	
(iii) Other financial liabilities	18	556.62		564.34	
Other current liabilities	19	28,001.71		26,560.97	
Provisions	20	2,474.44		3,768.68	
Current tax liabilities (net)	21	-	72,256.68	-	72,283.68
<b>Total Equity and Liabilities</b>			<b>43,320.57</b>		<b>45,570.24</b>
<b>Summary of material accounting policies</b>	2				

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

ICAI Registration Number-116231W/W-100024

**Girish Arora**

Partner

Membership Number - 098652

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

Director

DIN - 06847503

**Alok Sahu**

Chief Financial Officer

Noida : May 23, 2025

**Raghu Venkat Chivukula**

Director

DIN - 00520704

**Raj Kumar Sachdeva**

Manager

**Twinkle Monga**

Company Secretary

New Delhi: May 23, 2025

# Consolidated Statement of Profit and Loss for the year ended March 31, 2025

	Notes	Year ended 31.03.2025 ₹ in Lakhs		Year ended 31.03.2024 ₹ in Lakhs	
<b>Continuing Operations</b>					
<b>Income :</b>					
Revenue from operations	22		2,461.27		3,217.34
Other income	23		2,546.59		2,981.95
<b>Total Income</b>			<b>5,007.86</b>		6,199.29
<b>Expenses :</b>					
Direct expenses	24		680.94		1,302.96
Changes in inventories of stock-in -trade	25		7.73		1.50
Employee benefits expense	26		2,097.49		2,003.42
Finance costs	27		17.25		37.35
Depreciation and amortization expense	3		47.45		53.92
Other expenses	28		4,851.80		5,578.10
<b>Total expenses</b>			<b>7,702.66</b>		8,977.25
<b>Loss before exceptional items and tax from continuing operations</b>			<b>(2,694.80)</b>		(2,777.96)
Exceptional items	29		583.88		1,196.36
<b>Loss from continuing operations before tax</b>			<b>(2,110.92)</b>		(1,581.60)
Income tax expense:					
- Current tax	36	-		5.76	
- Deferred tax	36	-	-	-	5.76
<b>Loss for the year from continuing operations</b>			<b>(2,110.92)</b>		(1,587.36)
<b>Other comprehensive income (OCI)</b>					
(i) Items that will not be subsequently reclassified to profit or loss					
- Remeasurement of defined benefit liability/(assets)	39	(4.48)		(4.43)	
- Income tax relating to above item		-	(4.48)	-	(4.43)
(ii) Items that will be subsequently reclassified to profit or loss					
- Exchange differences on translating financial statements of foreign operation		(50.41)		9.34	
- Income tax relating to above item		-	(50.41)	-	9.34
Other comprehensive income for the year, net of tax			(54.89)		4.91
<b>Total comprehensive loss for the year</b>			<b>(2,165.81)</b>		(1,582.45)

# Consolidated Statement of Profit and Loss for the year ended March 31, 2025 (Contd.)

Notes	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
<b>Loss for the year attributable to:</b>		
- Owners of the HCL Infosystems Limited	(2,110.92)	(1,587.35)
- Non-controlling interests	(0.00)	(0.00)
Other comprehensive income for the year attributable to:		
- Owners of the HCL Infosystems Limited	(54.89)	4.91
- Non-controlling interests	-	-
Total comprehensive loss for the year attributable to:		
- Owners of the HCL Infosystems Limited	(2,165.80)	(1,582.45)
- Non-controlling interests	(0.00)	(0.00)
Earnings/(Loss) per equity share continuing operations (₹ Per share) <b>38</b>		
(1) Basic	(0.64)	(0.48)
(2) Diluted	(0.64)	(0.48)

## Summary of material accounting policies 2

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

As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

### Girish Arora

Partner

Membership Number - 098652

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

### Pawan Kumar Danwar

Director

DIN - 06847503

### Raghu Venkat Chivukula

Director

DIN - 00520704

### Alok Sahu

Chief Financial Officer

### Raj Kumar Sachdeva

Manager

### Twinkle Monga

Company Secretary

New Delhi: May 23, 2025

Noida : May 23, 2025

# Consolidated Statement of Changes in Equity for the year ended March 31, 2025

## a. Equity Share Capital

	Changes in equity share capital during the year	Balance as at March 31, 2025
Balance as at April 1, 2024	-	6,584.21
Balance as at April 1, 2023	-	6,584.21

## b. Other Equity

Other Equity						(₹ in Lakhs)	
Particulars	Attributable to Owners of HCL Infosystems Limited					Non Controlling interests	Total
	Reserve and surplus			Other Comprehensive Income	Total Equity		
	Securities Premium Reserve	General Reserve	Capital Reserve				
	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation					
Balance as at 01.04.2023	1,19,437.10	21,575.56	3.72	(1,74,145.06)	1,194.97	(31,932.71)	(31,933.71)
Total Loss for the year	-	-	-	(1,587.36)	-	(1,587.36)	(1,587.36)
Other comprehensive income for the year	-	-	-	(4.43)	9.34	4.91	4.91
Balance as at 31.03.2024	1,19,437.10	21,575.56	3.72	(1,75,736.85)	1,204.31	(33,515.16)	(33,516.16)
Balance as at 01.04.2024	1,19,437.10	21,575.56	3.72	(1,75,736.85)	1,204.31	(33,515.16)	(33,516.16)
Total Loss for the year	-	-	-	(2,110.92)	-	(2,110.92)	(2,110.92)
Other comprehensive loss for the year	-	-	-	(4.48)	(50.41)	(54.89)	(54.89)
FCTR transfer to retained earnings	-	-	-	1,053.12	(1,053.12)	-	-
Balance as at 31.03.2025	1,19,437.10	21,575.56	3.72	(1,76,799.13)	100.78	(35,680.97)	(35,681.97)

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

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

**Retained Earnings :** Retained earnings represents the undistributed profits of the Group accumulated as on Balance Sheet date.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

ICAI Registration Number-116231W/W-100024

**Girish Arora**

Partner

Membership Number - 098652

**Pawan Kumar Danwar**

Director

DIN - 06847503

**Raghu Venkat Chivukula**

Director

DIN - 00520704

**Alok Sahu**

Chief Financial Officer

**Noida : May 23, 2025**

**Raj Sachdeva**

Manager

**Noida : May 23, 2025**

**Twinkle Monga**

Company Secretary

**HCL**

# Consolidated Cash Flow Statement for the year ended March 31, 2025

Particulars	Year ended 31.03.2025 ₹ in Lakhs		Year ended 31.03.2024 ₹ in Lakhs	
<b>1. Cash Flow from Operating Activities:</b>				
<b>Loss before tax from continuing operations</b>		<b>(2,110.92)</b>		<b>(1,581.60)</b>
<b>Adjustments for:</b>				
Depreciation and amortisation expense	<b>47.45</b>		53.92	
Finance cost	<b>17.25</b>		37.34	
Interest income on Fixed deposits and others	<b>(1,164.29)</b>		(1,291.48)	
Interest on income tax refund	<b>(78.05)</b>		(69.94)	
Net gains on fair value changes on investments	<b>(57.57)</b>		(43.25)	
Net profit on sale of property, plant and equipment	<b>(584.16)</b>		(1,196.53)	
Profit on disposal of unquoted investments	<b>(132.19)</b>		(190.89)	
(Gain)/loss on foreign exchange fluctuation	<b>(15.74)</b>		20.37	
Reversal of loss allowance for doubtful debts	<b>(529.24)</b>		(159.86)	
Allowance for doubtful debts	<b>58.35</b>		34.22	
Allowance for doubtful loans and advances and other current assets	<b>2.80</b>		49.64	
Provisions/liabilities no longer required written back	<b>(367.94)</b>		(1,037.60)	
Net allowance for Input tax credit	<b>525.99</b>	<b>(2,277.34)</b>	384.82	<b>(3,409.24)</b>
<b>Operating Loss before changes in operating assets and liabilities</b>		<b>(4,388.26)</b>		<b>(4,990.84)</b>
<b>Changes in operating assets and liabilities:</b>				
Decrease in trade receivables	<b>715.26</b>		821.65	
(Increase)/Decrease in non current assets	<b>(93.82)</b>		424.74	
(Increase)/Decrease in current assets	<b>(101.99)</b>		115.30	
Decrease in inventories	<b>7.65</b>		1.98	
Increase/(Decrease) in non current liabilities	<b>(56.86)</b>		50.15	
(Decrease)/increase in current liabilities	<b>339.35</b>	<b>809.59</b>	(987.55)	<b>426.27</b>
<b>Cash used in operations</b>		<b>(3,578.67)</b>		<b>(4,564.57)</b>
Net tax refund (including interest)		<b>758.17</b>		<b>946.67</b>
<b>Net cash used in operating activities (A)</b>		<b>(2,820.50)</b>		<b>(3,617.90)</b>
<b>2. Cash flow from investing activities:</b>				
Capital work-in-progress	<b>(9.14)</b>		-	
Payment for property, plant and equipment (including intangible assets)	<b>(21.38)</b>		(18.99)	
Proceeds from sale of properties, plant and equipment	<b>635.03</b>		0.61	
Proceeds from redemption of mutual funds	<b>13,242.90</b>		17,815.32	
Investment in mutual funds	<b>(14,024.30)</b>		(15,799.21)	
Redemption of/(investment in) bank deposits (net)	<b>1,453.63</b>		(329.65)	
Movement in margin money account	<b>166.25</b>		118.38	
Interest received	<b>846.62</b>		1,291.48	
		<b>2,289.61</b>		<b>3,077.94</b>
<b>Net cash generated from investing activities (B)</b>		<b>2,289.61</b>		<b>3,077.94</b>

# Consolidated Cash Flow Statement for the year ended March 31, 2025 (Contd.)

Particulars	Year ended 31.03.2025 ₹ in Lakhs		Year ended 31.03.2024 ₹ in Lakhs	
<b>3. Cash flow from financing activities:</b>				
Proceeds from loans and borrowings from related party	45,500.00		35,500.00	
Repayment of loans and borrowings to related party	(45,500.00)		(35,500.00)	
Finance cost paid	(17.25)	(17.25)	(37.34)	(37.34)
<b>Net cash outflow from financing activities (C)</b>		(17.25)		(37.34)
<b>Net Decrease in cash and cash equivalents (A+B+C)</b>		(548.14)		(577.30)
Opening balance of cash and cash equivalents		1,407.34		1,974.54
Effect of foreign exchange on cash and cash equivalents		11.63		10.10
Closing balance of cash and cash equivalents		870.83		1,407.34
<b>Cash and cash equivalents comprise of</b>				
Cash in hand		0.11		0.21
Balances with banks on current accounts (refer note 10)		838.38		1,407.13
Balances with banks on deposits accounts (refer note 10)		32.34		-

## Notes:

- 1 Reconciliation of liabilities arising from financing activities:

Borrowings	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
Opening Balance	35,500.00	35,500.00
Cash flows inflow	45,500.00	35,500.00
Cash flows outflow	(45,500.00)	(35,500.00)
Non cash changes	-	-
<b>Closing Balance</b>	<b>35,500.00</b>	<b>35,500.00</b>

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

## Summary of material accounting policies (refer note 2)

As per our report of even date attached

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

**Girish Arora**  
Partner  
Membership Number - 098652

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

**Pawan Kumar Danwar**  
Director  
DIN - 06847503

**Alok Sahu**  
Chief Financial Officer

**Raghu Venkat Chivukula**  
Director  
DIN - 00520704

**Raj Kumar Sachdeva** **Twinkle Monga**  
Manager Company Secretary

New Delhi: May 23, 2025

Noida : May 23, 2025

# Notes to the Consolidated Financial Statements

## 1. Corporate information

These consolidated financial statements comprise financial statements of HCL Infosystems Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31.03.2025. The Company is domiciled and incorporated in India and publicly traded on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE') in India. The registered office of the Company is situated at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

The Group's business is primarily, engaged into annual maintenance contracts related to Enterprise Distribution Customers, system integration business.

The consolidated financial statements have been approved by the Board of Directors and authorised for issue on 23.05.2025.

## 2. Material accounting policies

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

### 2.1 Basis of preparation and measurement

#### (i) Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

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

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

#### (ii) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the certain financial assets and liabilities which have been measured at fair value except for the following items:

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

#### (iii) Current /non-current classification

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

### 2.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date on which the control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

## Notes to the Consolidated Financial Statements

### 2.3 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases relating to sale and leaseback transactions. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### 2.4 Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, disclosure of contingent liabilities and contingent assets at the date of these consolidated financial statements and the results of operations during the reporting period.

The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively.

### 2.5 Critical accounting estimates, assumptions and judgements

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

a) Income taxes

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews, at each balance sheet date, the carrying amount of deferred tax assets and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Group has significant business losses which are available to be set-off against the future taxable income, at each reporting date, the management evaluates whether it is reasonably certain to recognise deferred tax assets on such business losses, considering the future outlook of business. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements. (refer note 36)

b) Contingencies

Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy. (refer note 30)

c) Allowance for uncollected accounts receivable, unbilled revenue, contract assets and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. (refer note 33(ia))

d) Liquidated damages

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

e) Impairment assessment

Goodwill is tested for impairment at least annually and whenever events or changes in circumstances indicate that the recoverable amount of Cash Generating Unit ('CGU') or group of CGUs, to which goodwill is allocated, is less than the carrying value. Impairment test for goodwill is performed at the level of each CGU or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. The management applies its judgement to identify the CGUs, which are expected to derive synergies together, and allocates goodwill to such group of CGUs.



## Notes to the Consolidated Financial Statements

Other intangibles and property, plant and equipment (PPE) are tested for impairment, whenever events or changes in circumstances indicate that the recoverable amount of Cash Generating Unit ('CGU'), to which such intangibles or PPE are allocated, is less than the carrying value.

The recoverable amount of a CGU is the greater of its fair value less costs to sell and value in use. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and gross profit, growth rates and EBIT margin to calculate projected future cash flows, discount rate and long term growth rate.

f) **Revenue recognition**

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. In case of multiple performance obligations the Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

### **2.6 Principles of consolidation and equity accounting**

i. **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Notes to the Consolidated Financial Statements

Non-controlling interests, if any, in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

iii. Joint arrangements

Under Ind AS in joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

v. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## Notes to the Consolidated Financial Statements

These consolidated financial statements comprise the financial statement of HCL Infosystems Limited (the Company) and its subsidiaries, as given in the following table:

Name of the Subsidiary/ JV	Country of Incorporation	Extent of Holding (%)	
		31.03.2025	31.03.2024
<b>Subsidiary</b>			
Pimpri Chinchwad eServices Limited	India	85	85
HCL Infotech Limited	India	100	100
<b>Step-down Subsidiary of HCL Infotech Limited</b>			
HCL Investments Pte. Limited.	Singapore	100	100
<b>Step-down Subsidiary of HCL Investments Pte Limited</b>			
Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE)*	Dubai	100	100

\*Liquidated with effect from April 03, 2025

### 2.7 Property, plant and equipment

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

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

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

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

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

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

(i) Depreciation on fixed assets of the foreign subsidiaries:

Building	20 Years
Computers	3-4 Years
Furniture and Fixtures	4-6 Years
Office Equipment	6 Years

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

## Notes to the Consolidated Financial Statements

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

### 2.8 Intangible assets

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

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

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

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

Intellectual Property Rights	7 years
Software	1-5 years

#### *Goodwill*

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the statement of profit or loss on disposal.

### 2.9 Leases

#### **As a lessee**

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

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

#### **As a lessor**

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

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

### 2.10 Financial Instruments

#### **A. Financial instruments – Initial recognition and measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

## Notes to the Consolidated Financial Statements

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### **B. Financial assets**

#### **1. Subsequent measurement**

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

#### **Debt instrument**

##### *a. Financial assets at fair value through profit or loss*

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

##### *b. Financial assets measured at amortised cost*

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

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

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

### **C. Financial liabilities**

#### **1. Subsequent measurement**

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

##### *Financial liabilities measured at amortised cost*

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

#### **2. Derecognition**

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

## Notes to the Consolidated Financial Statements

### D. Offsetting financial instruments

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

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

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

### F. Impairment of financial assets

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

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

### G. Fair value measurement

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

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

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

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

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

## 2.11 Income tax

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

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.
- Temporary difference related to investment in subsidiaries and associates and joint arrangement to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

## Notes to the Consolidated Financial Statements

- Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

### 2.12 Inventories

Raw materials, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Stores and Spares are valued at lower of cost and net realisable value/future economic benefit expected to arise when consumed during rendering of services.

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

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

### 2.13 Cash and cash equivalents

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

### 2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test for goodwill is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not



## Notes to the Consolidated Financial Statements

generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

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

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

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

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

### 2.16 Trade and other payables

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

### 2.17 Borrowings

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

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

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



## Notes to the Consolidated Financial Statements

### 2.18 Provisions, contingent liabilities and contingent assets

#### a) Provisions

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

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

#### b) Contingencies

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

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

### 2.19 Segment reporting

The Group had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, management has reassessed the segment disclosure and believes that with the scale down of the Distribution business which is limited to providing IT support services (primarily annual maintenance activities) and progressive decline in learning operations, the Chief Operating Decision maker primarily focusses on combined business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group has aggregated its segments into a single segment which is providing IT support services and hence no separate disclosure is required for Segment as per Ind AS 108 'Operating Segments'.

### 2.20 Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('₹ the functional currency'). The Group's operations are primarily in India, except operations in subsidiaries incorporated outside India. The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

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

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

## Notes to the Consolidated Financial Statements

### (iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income items that will be subsequently reclassified to profit and loss account.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.21 Revenue recognition

Contracts involving provision of services and material

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

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

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

Fixed Price contracts

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

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

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

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

Interest income

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

## Notes to the Consolidated Financial Statements

### 2.22 Employee benefits

#### Defined benefit plans

##### Gratuity

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

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

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

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

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

#### Defined contribution plans

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

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

#### Other benefits

##### Compensated absences

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

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

##### Long term employee benefits

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

### 2.23 Borrowing costs

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

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

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

## Notes to the Consolidated Financial Statements

### 2.24 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:

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

(ii) Diluted earnings per share

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

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

### 2.25 Exceptional items

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

## Notes to the Consolidated Financial Statements

### 3(a) Property, plant and equipment

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 31.03.2025
Freehold Land	5.66	-	-	5.66	-	-	-	-	5.66
Buildings	195.36	-	51.12	144.24	18.18	6.24	1.09	23.33	120.91
Plant and Machinery	22.29	-	1.04	21.25	22.29	0.03	1.16	21.16	0.09
Furniture and Fixtures	51.36	-	4.42	46.94	51.29	0.53	4.88	46.94	-
Vehicles	41.01	-	-	41.01	41.01	-	-	41.01	-
Computers	223.60	20.18	43.16	200.62	181.71	33.04	41.74	173.00	27.62
<b>Total</b>	<b>539.27</b>	<b>20.18</b>	<b>99.74</b>	<b>459.72</b>	<b>314.47</b>	<b>39.84</b>	<b>48.87</b>	<b>305.44</b>	<b>154.28</b>

### Property, plant and equipment

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 31.03.2024
Freehold Land	5.66	-	-	5.66	-	-	-	-	5.66
Buildings	195.36	-	-	195.36	9.98	8.20	-	18.18	177.18
Plant and Machinery	22.29	-	-	22.29	22.29	-	-	22.29	-
Furniture and Fixtures	51.36	-	-	51.36	50.30	0.99	-	51.29	0.07
Vehicles	41.01	-	-	41.01	41.01	-	-	41.01	-
Computers	221.46	18.99	16.85	223.60	160.99	37.16	16.44	181.71	41.89
<b>Total</b>	<b>537.14</b>	<b>18.99</b>	<b>16.85</b>	<b>539.27</b>	<b>284.57</b>	<b>46.35</b>	<b>16.44</b>	<b>314.47</b>	<b>224.80</b>

### 3(b) Intangible Assets

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated amortisation/ impairment				Net Carrying Amount
	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 01.04.2024	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2025	As at 31.03.2025
<b>Intangible Assets:</b>									
Software	198.84	1.19	-	200.03	172.41	7.61	-	180.02	20.01
Intellectual Property Rights	23.00	-	-	23.00	23.00	-	-	23.00	-
Technical Knowhow	146.00	-	-	146.00	146.00	-	-	146.00	-
<b>Total</b>	<b>367.84</b>	<b>1.19</b>	<b>-</b>	<b>369.03</b>	<b>341.41</b>	<b>7.61</b>	<b>-</b>	<b>349.02</b>	<b>20.01</b>

### Intangible Assets

₹ in Lakhs

Particulars	Gross Carrying Amount				Accumulated amortisation/ impairment				Net Carrying Amount
	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 01.04.2023	Additions/ Adjustment	Disposal/ Adjustment	As at 31.03.2024	As at 31.03.2024
<b>Intangible Assets:</b>									
Software	198.84	-	-	198.84	164.84	7.57	-	172.41	26.43
Intellectual Property Rights	23.00	-	-	23.00	23.00	-	-	23.00	-
Technical Knowhow	146.00	-	-	146.00	146.00	-	-	146.00	-
<b>Total</b>	<b>367.84</b>	<b>-</b>	<b>-</b>	<b>367.84</b>	<b>333.84</b>	<b>7.57</b>	<b>-</b>	<b>341.41</b>	<b>26.43</b>

## Notes to the Consolidated Financial Statements

### 3(b) Capital work-in-progress

₹ in Lakhs

Particulars	As at 01.04.2024	Addition	Capitalisation	As at 31.03.2025
Capital work-in-progress	-	9.14	-	9.14

₹ in Lakhs

Particulars	As at 01.04.2023	Addition	Capitalisation	As at 31.03.2024
Capital work-in-progress	-	-	-	-

### CWIP Ageing Schedule as on year ended March 31, 2025 and March 31, 2024

₹ in Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress March 31, 2025	9.14	-	-	-	9.14
Project in progress March 31, 2024	-	-	-	-	-

Note: There is no overdue capital work in progress.

Particulars	As at 31.03.2025		As at 31.03.2024	
	Units	₹ in Lakhs	Units	₹ in Lakhs
<b>4 Current investments</b>				
<b>Unquoted (Others)</b>				
<b>Investment in mutual funds at FVTPL</b>				
<b>Growth options</b>				
HDFC Ultra Short Term Fund - [NAV - ₹ 14.87 (2024- ₹ 13.85)]	1,03,32,893	1,536.94	66,05,783	914.71
ICICI Pru Ultra Short Term Fund - Growth-[NAV - ₹ 27.18 (2024- ₹ 25.31)]	70,51,931	1,916.42	68,26,595	1,727.92
SBI Magnum Ultra Short Duration Fund- [NAV - ₹ 5,865.37 (2024- ₹ Nil)]	2,735	160.43	-	-
<b>Total Current Investments</b>		3,613.79		2,642.63
<b>Aggregate amount of market value of unquoted investment</b>		3,613.79		2,642.63
<b>5 Other financial assets - non-current</b>				
Bank deposits with original maturity of more than 12 months #		-		5,493.57
Balance with bank- margin money*		361.48		0.67
Amount recoverable from third party		160.62		150.34
Business consideration receivable (refer note 49)		648.81		648.81
<b>TOTAL</b>		1,170.91		6,293.39
# includes ₹ Nil (2024 - ₹ 5,492 lakhs) lien marked with banks against bank guarantee				
*Balances held as margin money for obtaining bank guarantees.				

**Notes to the Consolidated Financial Statements**

Particulars	As at 31.03.2025		As at 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>6(a) Deferred tax asset (net) (refer note 36)</b>				
Deferred tax asset		-		-
<b>TOTAL</b>		-		-
<b>6(b) Income tax assets</b>				
Advance income tax (net of provisions)				
[Provision for income tax of ₹ Nil (2024- ₹ Nil)]		<b>4,492.24</b>		5,171.14
<b>TOTAL</b>		<b>4,492.24</b>		5,171.14
<b>7 Other non-current assets</b>				
Balances with government authorities		<b>13,036.43</b>		13,252.02
Prepaid expenses		<b>355.74</b>		0.20
Others		-		67.07
<b>TOTAL</b>		<b>13,392.17</b>		13,319.29
<b>8 Inventories</b>				
Stock-in-trade				
[Including in-transit ₹ Nil (2024- ₹ Nil)]		<b>29.43</b>		37.08
<b>TOTAL</b>		<b>29.43</b>		37.08
*Write-downs of inventories to net realisable value recognised as an expense during the year amounts to ₹ 4.75 lakhs (2024- ₹ 5.00 lakhs). These were included in changes in value of inventories of work-in-progress, stock in trade and finished goods in statement of profit and loss.				
<b>9 Trade receivables*</b>				
a) Billed				
Unsecured , considered good	<b>1,647.91</b>		1,794.24	
Significant increase in credit risk	-		23.90	
Credit impaired	<b>14,936.60</b>		19,022.44	
	<b>16,584.51</b>		20,840.58	
Less: Loss allowance for doubtful debts	<b>14,936.60</b>	<b>1,647.91</b>	19,043.75	1,796.83
b) Unbilled revenue		<b>12.96</b>		51.94
<b>TOTAL</b>		<b>1,660.87</b>		1,848.77
*refer note no 33 (ia) disclosure related to ageing of trade receivables and refer note no 31 for related party balances.				



## Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2025		As at 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>10 Cash and cash equivalents</b>				
Balances with banks*				
- Current account		838.38		1,407.13
- On margin account		32.34		-
Cash on hand		0.11		0.21
Bank deposits with original maturity of three months or less	31.45		31.45	
Less: Money held in Trust	31.45	-	31.45	-
<b>TOTAL</b>		870.83		1,407.34
* includes ₹ 164 lakhs (2024 - ₹ 164 lakhs) restricted bank balance lying with Uttar Bihar Gramin Bank.				
<b>11 Other bank balances</b>				
Bank deposits with original maturity of more than three months but less than 12 months*		14,640.65		10,262.10
Balance with banks				
- On margin account		989.04		1,526.38
<b>TOTAL</b>		15,629.69		11,788.48
* includes ₹ 5,688.49 lakhs (2024 - ₹ 124 lakhs) lien marked with banks against bank guarantee.				
<b>12 Other financial assets</b>				
<b>Considered good</b>				
Security deposits		6.39		6.39
<b>Considered doubtful</b>				
Others (includes lease rent recoverable, employee advances, insurance claim recoverable)	1,730.78		1,867.61	
Less: Loss allowance for doubtful loans, advances and recoverable	1,730.78	-	1,867.61	-
<b>TOTAL</b>		6.39		6.39
<b>13 Other current assets</b>				
<b>Unsecured, considered good</b>				
Balances with government authorities		152.54		172.78
Advances to creditors		304.18		111.02
Contract assets		1,366.62		1,613.17
Prepaid expenses		365.48		823.53
Employee related recoverable		72.00		74.00
<b>Considered doubtful</b>				
Contract assets, deposits and other advances	18,215.78		18,336.12	
Less: Loss allowance for contract assets, deposits and other advances [(₹ 17,789.31 lakhs on contract assets (2024 - ₹ 17,709.13 lakhs), balance on deposit and other advances)]	18,215.78	-	18,336.12	-
Input tax credit	5,862.70		6,209.00	
Less: Loss allowance for input tax credit	5,862.70	-	6,209.00	-
<b>TOTAL</b>		2,260.82		2,794.50

**Notes to the Consolidated Financial Statements**

Particulars	As at 31.03.2025		As at 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>14 Equity share capital and other equity</b>				
(a) <u>Authorised</u>				
85,30,00,000 Equity Shares (2024 - 85,30,00,000) of ₹ 2/- each		<b>17,060.00</b>		17,060.00
5,00,000 Preference Shares (2024 - 5,00,000) of ₹ 100/- each		<b>500.00</b>		500.00
<b>TOTAL</b>		<b>17,560.00</b>		17,560.00
<b>Equity Share capital</b>				
<u>Issued, Subscribed and Paid up</u>				
32,92,09,928 Equity Shares, fully paid (2024 - 32,92,09,928) of ₹ 2/- each		<b>6,584.20</b>		6,584.20
Add: Shares Forfeited - 1,000 shares of ₹ 1/- each (2024 - 1,000 shares of ₹ 1/- each)		<b>0.01</b>		0.01
<b>TOTAL</b>		<b>6,584.21</b>		6,584.21

**Notes:**
**(i) Rights attached to Equity Shares:**

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

The Group had not issued any bonus shares or bought back any shares during the five years immediately preceding the reporting date.

(ii)	Shareholders holding more than 5% of the aggregate shares in the Company	As at 31.03.2025		As at 31.03.2024	
		Number of Shares	% of shares	Number of Shares	% of shares
	(a) HCL Corporation Private Limited	<b>16,44,21,399</b>	<b>49.94</b>	16,44,21,399	49.94
	(b) VAMA Sundari Investments (Delhi) Private Limited	<b>4,26,03,194</b>	<b>12.94</b>	4,26,03,194	12.94

(iii)	Promoters shareholding in the Company	As at 31.03.2025		% change during the year	As at 31.03.2024	
		Number of Shares	% of shares		Number of Shares	% of shares
	(a) HCL Corporation Private Limited	<b>16,44,21,399</b>	<b>49.94</b>	-	16,44,21,399	49.94
	(b) VAMA Sundari Investments (Delhi) Private Limited	<b>4,26,03,194</b>	<b>12.94</b>	-	4,26,03,194	12.94
	(c) Mr. Shiv Nadar	<b>3,055</b>	<b>0.00</b>	-	3,055	0.00
	(d) Mrs. Roshni Nadar Malhotra	<b>2,893</b>	<b>0.00</b>	-	2,893	0.00
	(e) Mrs. Kiran Nadar	<b>620</b>	<b>0.00</b>	-	620	0.00

## Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
<b>(b) Other equity</b>		
<b>Reserve and surplus</b>		
<b>Securities premium reserve</b>		
Opening balance	1,19,437.10	1,19,437.10
Closing balance	1,19,437.10	1,19,437.10
<b>General reserve</b>		
Opening balance	21,575.56	21,575.56
Closing balance	21,575.56	21,575.56
<b>Capital reserve</b>		
Opening balance	3.72	3.72
Closing balance	3.72	3.72
<b>Retained earning</b>		
Opening balance	(1,75,736.85)	(1,74,145.06)
Remeasurement of post-employment benefit obligation, net of tax	(4.48)	(4.43)
Net Loss for the year	(2,110.92)	(1,587.36)
FCTR transfer to retained earnings	1,053.12	-
Closing balance	(1,76,799.13)	(1,75,736.85)
<b>Foreign currency translation of foreign operations</b>		
Opening balance	1,204.31	1,194.97
Exchange difference on translation of foreign operations	(50.41)	9.34
FCTR transfer to retained earnings	(1,053.12)	-
Closing balance	100.78	1,204.31
<b>Total Other Equity attributable to the owners of HCL Infosystems Limited</b>	<b>(35,681.97)</b>	<b>(33,516.16)</b>
<b>15 Non-current provisions</b>		
Provision for gratuity and other employee benefits	161.65	218.51
<b>TOTAL</b>	<b>161.65</b>	<b>218.51</b>
[includes ₹ 132.76 lakhs (2024 - ₹ 166.71 lakhs) provision towards gratuity (refer note 39), ₹ 28.89 lakhs (2024 - ₹ 41.55 lakhs) provision towards leave encashment and ₹ Nil (2024 - ₹ 10.25 lakhs) provision towards other employee benefits]		
<b>16 Current borrowings</b>		
<b>Unsecured:</b>		
<b>Loans</b>		
From related parties	35,500.00	35,500.00
<b>TOTAL</b>	<b>35,500.00</b>	<b>35,500.00</b>
<b>Note:</b>		
1. Unsecured Intercompany Loan from HCL Corporation Private Limited amounting to ₹ 35,500 lakhs (2024 - ₹ 35,500 lakhs) is repayable in 11 months from the date of availment of each tranche, which is interest free.		
2. The company has obtained non fund-based facility based on security of current assets, submission of intimation for quarterly results with banks has been done as and when due except for quarter ended March 31, 2025 which is not yet due.		

**Notes to the Consolidated Financial Statements**

Particulars	As at 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
<b>17 Trade payables*</b>		
(a) Total outstanding dues of micro enterprises and small enterprises; and	<b>20.30</b>	33.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>5,703.61</b>	5,856.03
<b>TOTAL</b>	<b>5,723.91</b>	5,889.69
*refer note no 33 (iia) disclosure related to ageing of trade payable and refer note no 31 for related party balances.		
<b>18 Other financial liabilities</b>		
Employee benefits payable	<b>350.68</b>	359.63
Capital creditors	<b>7.11</b>	5.88
Deposits	<b>198.83</b>	198.83
<b>TOTAL</b>	<b>556.62</b>	564.34
<b>19 Other current liabilities</b>		
Deferred revenue*	<b>10,909.76</b>	10,294.53
Advances received from customers*	<b>2,582.81</b>	3,050.96
Amount collected under litigation (refer note 31 and 48)	<b>13,672.25</b>	12,341.73
Statutory dues payable	<b>836.89</b>	873.75
<b>TOTAL</b>	<b>28,001.71</b>	26,560.97
*Contract liability comprises deferred revenue and advance received from customer which represents amount billed and collected from customers in respect of ongoing projects and projects under litigation. Contract liability in respect of project under litigation will be recognized as revenue upon final resolution of litigation. Contract liability in respect of ongoing projects are recognized over a period of time as and when the services are rendered. The movement of deferred revenue includes amount billed/collected under arbitration ₹ 2,303.75 lakhs (2024 - ₹ 1,561.45 lakhs), and revenue recognised during the year ₹ 1,688.53 lakhs (2024 - ₹ 1,711.13 lakhs).		
<b>20 Current provisions</b>		
Provision for gratuity and other employee benefits#	<b>219.63</b>	174.95
Provision for contract losses*	<b>260.27</b>	1,599.75
Provision for litigations {refer note 30 (c)}**	<b>1,994.54</b>	1,993.98
<b>TOTAL</b>	<b>2,474.44</b>	3,768.68
[# includes ₹ 55.33 lakhs (2024 - ₹ 14.00 lakhs) provision towards gratuity (refer note 39), ₹ 13.74 lakhs (2024- ₹ 5.94 lakhs) provision towards leave encashment and ₹ 150.56 lakhs (2024 - ₹ 155.01 lakhs) provision towards other employee benefits]		
<b>*Provision for contract Losses</b>		
<b>Balance as at the beginning of the year</b>	<b>1,599.75</b>	2,529.19
Provision made during the year	<b>58.71</b>	1,217.80
Provision utilised/reversed during the year	<b>1,398.19</b>	2,147.24
<b>Balance as at the end of the year</b>	<b>260.27</b>	1,599.75
<b>**Provision for litigation</b>		
<b>Balance as at the beginning of the year</b>	<b>1,993.98</b>	2,189.40
Provision made during the year	<b>63.81</b>	200.06
Provision utilised/reversed during the year	<b>63.25</b>	395.48
<b>Balance as at the end of the year</b>	<b>1,994.54</b>	1,993.98

## Notes to the Consolidated Financial Statements

Particulars	As at 31.03.2025 ₹ in Lakhs	As at 31.03.2024 ₹ in Lakhs
<b>21 Current tax liabilities (net)</b>		
Current income tax liabilities	-	-
<b>TOTAL</b>	-	-
<b>Note:</b> The company did not have any derivative contracts as at March 31, 2025 or March 31, 2024.		

Particulars	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
<b>22 Revenue from operations</b>		
Rendering of services	860.37	1,616.44
Revenue from composite contracts	1,600.90	1,600.90
<b>TOTAL</b>	<b>2,461.27</b>	<b>3,217.34</b>
a.) The company's revenue are recognised from customers based within India. The entire revenue of the company are recognised from ten customers (2024 - sixteen customers).		
b.) All the remaining performance obligations are expected to be satisfied in next years are ₹ 9,600.06 lakhs (2024 - ₹ 11,200.07 lakhs).		
c.) Refer note 19 for movement of contract liability, note 13 and 33 (i) for contract assets.		
<b>Revenue by time</b>		
Revenue recognised at a point in time	229.06	706.30
Revenue recognised over a period of time	2,232.21	2,511.04
<b>TOTAL</b>	<b>2,461.27</b>	<b>3,217.34</b>
<b>23 Other income</b>		
Interest Income from financial asset at amortised cost		
- On fixed deposits	1,164.29	1,291.48
- On others	18.01	85.97
Net gains on fair value changes on investments	57.57	43.25
Gain on sale of investment carried at fair value through profit or loss	132.19	190.89
Net profit on sale of property, plant and equipment	0.28	0.18
Gain on foreign exchange fluctuation	4.12	15.64
Reversal of loss allowance for doubtful debts	529.24	159.86
Provisions/liabilities no longer required written back	476.44	1,037.60
Miscellaneous income*	83.92	86.17
Scrap sale	2.48	0.97
Interest income on income tax refund	78.05	69.94
<b>TOTAL</b>	<b>2,546.59</b>	<b>2,981.95</b>
*includes miscellaneous expense recovery with respect to property monetisation of ₹ 5.96 lakhs (2024 - ₹ 67.05 lakhs) and recovery of ₹ 50.00 lakhs (2024 - ₹ Nil) based on one time settlement from vendor.		
<b>24 Direct expenses</b>		
Direct service cost	680.94	1,302.96
<b>TOTAL</b>	<b>680.94</b>	<b>1,302.96</b>

**Notes to the Consolidated Financial Statements**

Particulars	Year ended 31.03.2025 ₹ in Lakhs	Year ended 31.03.2024 ₹ in Lakhs
<b>25 Changes in inventories of stock-in-trade</b>		
Closing balance		
- Stock-in-trade	29.43	37.08
	29.43	37.08
Opening balance		
- Stock-in-trade	37.16	38.58
	37.16	38.58
<b>Changes in inventories of stock-in-trade</b>	7.73	1.50
<b>26 Employee benefits expense</b>		
Salaries, wages and bonus (refer note 39)	2,022.71	1,928.76
Contribution to provident and other funds (refer note 39)	58.64	55.73
Staff welfare expenses	16.14	18.93
<b>TOTAL</b>	2,097.49	2,003.42
<b>27 Finance costs</b>		
Interest on unsecured borrowings	0.00	0.02
Processing and other bank fees	17.25	37.33
<b>TOTAL</b>	17.25	37.35

Particulars	Year ended 31.03.2025		Year ended 31.03.2024	
	₹ in Lakhs		₹ in Lakhs	
<b>28 Other expenses</b>				
Rent (refer note 37)		69.74		67.97
Rates and taxes		100.62		330.97
Communication		16.52		35.53
Travelling and conveyance		72.26		85.19
Legal, professional and consultancy charges (refer note 41)		2,732.66		2,998.02
Retainership expenses		617.73		680.32
Office electricity and water		6.23		34.64
Insurance		45.65		55.62
Technology Cost		223.48		266.92
Outsourcing cost		119.86		130.83
Bank charges		46.48		118.97
Net allowance for doubtful debts		58.35		34.22
Net allowance for doubtful other current assets		2.80		49.64
Net allowance for Input tax credit		525.99		384.82
Bad debts written off	3,556.07		1,362.77	
Less: Allowance for doubtful debts adjustment	(3,556.07)	-	(1,362.77)	-
Repairs				
- Buildings		1.34		0.42
- Others		22.25		24.76
Net loss on foreign exchange fluctuation		-		36.00
Miscellaneous#		189.84		243.26
<b>TOTAL</b>		4,851.80		5,578.10
#includes provision for one time settlement payable to vendor of ₹ 55.24 lakhs (2024 - ₹ 100 Lakhs) and director sitting fees of ₹ 34.47 lakhs (2024 - ₹ 42.75 lakhs)				

## Notes to the Consolidated Financial Statements

### 29 Exceptional items:

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Profit on sale of properties (refer note 43)	583.88	1,196.36
<b>TOTAL</b>	<b>583.88</b>	<b>1,196.36</b>

### 30 Contingent Liabilities :

(a) Claims against the Company not acknowledged as debts:

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Sales tax*	7,811.23	9,258.92
Excise, Service Tax and Customs*	45,932.66	45,982.10
Income tax	2,428.37	4,259.36
Industrial disputes, civil suits and consumer disputes	318.04	474.50

\* The Group has deposited ₹ 12,696.04 lakhs (2024 - ₹ 12,916.01 lakhs) under protest against these claims.

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

#### (b) Other Litigations :

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business. Some of these matters include speculative and frivolous claims. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2025.

(c) The Group has certain sales tax, other indirect tax and civil matters against which provision of ₹ 1,934.54 lakhs (2024- ₹ 1,933.98 lakhs) have been made. Provision of ₹ 63.81 lakhs (2024- ₹ 200.06 lakhs) has been made during the year and ₹ 63.25 lakhs (2024- ₹ 386.89 lakhs) utilised during the year i.e towards repayment under one time settlement/ amnesty schemes.

### 31 Disclosure of related parties and related party transactions:

#### a) Company having substantial interest:

HCL Corporation Private Limited

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

HCL Technologies Limited

SSN Trust

SSN Investments (Pondi) Private Limited

VAMA Sundari Investments (Delhi) Private Limited

#### c) Key Management Personnel:

Mr. Alok Sahu - Chief Financial Officer

Mr. Raj Kumar Sachdeva- Manager

Ms. Komal Bathla- Company Secretary (upto February 25, 2025)

Ms. Twinkle Monga- Company Secretary (appointed w.e.f. May 23, 2025)

## Notes to the Consolidated Financial Statements

**d) Independent & Non-Executive Director:**

Dr. Nikhil Sinha, Chairman

Ms. Ritu Arora

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

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

**e) Non- Independent & Non-Executive Director:**

Mr. Pawan Kumar Danwar

Mr. Neelesh Agarwal

Ms. Rita Gupta (appointed in HCL Infosystems Limited w.e.f. February 07, 2025)

**f) Summary of consolidated related party disclosures:**

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

₹ in Lakhs

	Company having substantial interest*		Others		Key Management Personnel		Total	
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24
<b>A. Transactions</b>								
<b>Consultancy charges</b>	-	-	<b>52.99</b>	92.14	-	-	<b>52.99</b>	92.14
- HCL Technologies Limited	-	-	52.99	92.14	-	-	52.99	92.14
<b>Current borrowings taken</b>	<b>45,500.00</b>	35,500.00	-	-	-	-	<b>45,500.00</b>	35,500.00
- HCL Corporation Private Limited	45,500.00	35,500.00	-	-	-	-	45,500.00	35,500.00
<b>Current borrowings repaid</b>	<b>45,500.00</b>	35,500.00	-	-	-	-	<b>45,500.00</b>	35,500.00
- HCL Corporation Limited	45,500.00	35,500.00	-	-	-	-	45,500.00	35,500.00
<b>Rent Expense</b>	<b>0.36</b>	0.24	<b>25.92</b>	25.80	-	-	<b>26.28</b>	26.04
- SSN Investments (Pondi) Private Limited	-	-	25.56	25.56	-	-	25.56	25.56
- HCL Corporation Private Limited	0.36	0.24	-	-	-	-	0.36	0.24
- VAMA Sundari Investments (Delhi) Private Limited	-	-	0.36	0.24	-	-	0.36	0.24
<b>Remuneration</b>	-	-	-	-	<b>224.92</b>	210.36	<b>224.92</b>	210.36
- Mr. Alok Sahu	-	-	-	-	114.84	109.36	114.84	109.36
- Ms. Komal Bathla	-	-	-	-	20.23	17.52	20.23	17.52
- Mr. Raj Sachdeva	-	-	-	-	89.85	83.48	89.85	83.48
<b>Director Sitting fees</b>	-	-	<b>34.47</b>	42.75	-	-	<b>34.47</b>	42.75
- Ms. Sangeeta Talwar	-	-	-	10.50	-	-	-	10.50
- Mr. Kaushik Dutta	-	-	-	8.25	-	-	-	8.25
- Ms. Ritu Arora	-	-	11.25	8.25	-	-	11.25	8.25
- Mr. Nikhil Sinha	-	-	8.97	9.75	-	-	8.97	9.75
- Mr. Raghu Venkat Chivukula	-	-	6.75	3.00	-	-	6.75	3.00
- Mr. Kirti Kumar Dawar	-	-	7.50	3.00	-	-	7.50	3.00
<b>Reimbursements towards expenditure made</b>	-	-	<b>5.69</b>	12.05	-	-	<b>5.69</b>	12.05
- SSN Investments (Pondi) Private Limited	-	-	5.69	12.05	-	-	5.69	12.05
<b>B. Amount due to/from related parties at year end^</b>								
<b>Trade receivables</b>	-	0.09	-	-	-	-	-	8.58
- HCL Technologies Limited	-	-	-	8.48	-	8.48	-	8.48
- HCL Corporation Private Limited	-	0.09	-	-	-	-	-	0.09
- Others	-	-	-	0.01	-	-	-	0.01
<b>Other financial assets</b>	-	-	<b>6.39</b>	6.39	-	-	<b>6.39</b>	6.39
- HCL Corporation Private Limited	-	-	-	-	-	-	-	-
- SSN Investments (Pondi) Private Limited	-	-	6.39	6.39	-	-	6.39	6.39



## Notes to the Consolidated Financial Statements

₹ in Lakhs

	Company having substantial interest*		Others		Key Management Personnel		Total	
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24
<b>Current borrowings from HCL Corporation Private Limited</b>	<b>35,500.00</b>	35,500.00	-	-	-	-	<b>35,500.00</b>	35,500.00
<b>Trade payables</b>	<b>0.03</b>	3.40	<b>9.06</b>	142.94	-	-	<b>9.09</b>	146.34
- HCL Technologies Limited	-	-	9.04	142.69	-	-	9.04	142.69
- VAMA Sundari Investments (Delhi) Private Limited	-	-	0.02	0.25	-	-	0.02	0.25
- HCL Corporation Private Limited	0.03	3.40	-	-	-	-	0.03	3.40

\*Corporate guarantee from HCL Corporation Private Limited utilised ₹ 20,372.47 lakhs (2024 - ₹ 14,148.02 lakhs). This includes utilisation in the form of bank guarantee for projects/ongoing customers arbitration of ₹ 19,890.29 lakhs (2024 - ₹ 14,135.01 lakhs) and ₹ 482.18 lakhs (2024 - ₹ 13.01 lakhs) related to taxation matters, also refer note 48.

^Amount due to / from related parties are unsecured and are receivable / payable in cash.

### g) Compensation of key management personnel of the Company

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Short-term employee benefits*	<b>224.92</b>	210.36
<b>Total compensation paid to key management personnel</b>	<b>224.92</b>	210.36

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

\*short term employee benefits for the year include post employment benefits comprising gratuity, and compensated absences.

## 32 Financial Instruments

The carrying value of financial instruments by categories are as under as at 31.03.2025:

₹ in Lakhs

Particulars	Notes	Fair Value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>						
<b>Non-current assets</b>						
(i) Other Financial Assets	5	-	-	<b>1,170.91</b>	<b>1,170.91</b>	<b>1,170.91</b>
		-	-	(6,293.39)	(6,293.39)	(6,293.39)
		-	-	<b>1,170.91</b>	<b>1,170.91</b>	<b>1,170.91</b>
		-	-	(6,293.39)	(6,293.39)	(6,293.39)
<b>Current assets</b>						
(i) Investments	4	-	<b>3,613.79</b>	-	<b>3,613.79</b>	<b>3,613.79</b>
		-	(2,642.63)	-	(2,642.63)	(2,642.63)
(ii) Trade receivables	9	-	-	<b>1,660.87</b>	<b>1,660.87</b>	<b>1,660.87</b>
		-	-	(1,848.77)	(1,848.77)	(1,848.77)
(iii) Cash and cash equivalents	10	-	-	<b>870.83</b>	<b>870.83</b>	<b>870.83</b>
		-	-	(1,407.34)	(1,407.34)	(1,407.34)

## Notes to the Consolidated Financial Statements

₹ in Lakhs

Particulars	Notes	Fair Value through OCI	Fair value through Profit or Loss	Amortised Cost	Total Carrying Value	Total Fair Value
(iv) Bank balances other than (iii) above	11	-	-	<b>15,629.69</b> (11,788.48)	<b>15,629.69</b> (11,788.48)	<b>15,629.69</b> (11,788.48)
(v) Others	12	-	-	<b>6.39</b> (6.39)	<b>6.39</b> (6.39)	<b>6.39</b> (6.39)
		-	<b>3,613.79</b> (2,642.63)	<b>18,167.78</b> (15,050.98)	<b>21,781.57</b> (17,693.61)	<b>21,781.57</b> (17,693.61)
<b>Current liabilities</b>						
(i) Borrowings	16	-	-	<b>35,500.00</b> (35,500.00)	<b>35,500.00</b> (35,500.00)	<b>35,500.00</b> (35,500.00)
(ii) Trade payables	17	-	-	<b>5,723.91</b> (5,889.69)	<b>5,723.91</b> (5,889.69)	<b>5,723.91</b> (5,889.69)
(iii) Other financial liabilities	18	-	-	<b>556.62</b> (564.34)	<b>556.62</b> (564.34)	<b>556.62</b> (564.34)
		-	-	<b>41,780.53</b> (41,954.03)	<b>41,780.53</b> (41,954.03)	<b>41,780.53</b> (41,954.03)

Note: Previous year figures are given in brackets.

### Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2025 and March 31, 2024 and the basis for that measurement is as below:

₹ in Lakhs

Particulars	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
<b>Assets</b>				
Investments carried at fair value through profit and loss	<b>3,613.79</b> (2,642.63)	<b>3,613.79</b> (2,642.63)	-	-
Investments carried at fair value through other	-	-	-	-
Investments carried at fair value through other comprehensive income	-	-	-	-
Unrealized gain on derivative financial instruments	-	-	-	-
<b>Liabilities</b>				
Unrealized loss on derivative financial instruments	-	-	-	-
Contingent consideration	-	-	-	-
Others	-	-	-	-

Note: Previous year figures are given in brackets.

## Notes to the Consolidated Financial Statements

### The following methods/assumptions were used to estimate the fair value

- i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, loans, borrowings and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. The Group's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1.
- ii) There were no transfers between any levels for Fair value measurements.

### 33 Financial Risk Management

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

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

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

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

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

#### 33 (i) Credit Risk

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable and unbilled revenues.

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

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

Investment primarily includes investment in mutual funds.

## Notes to the Consolidated Financial Statements

The Group follows policy of managing credit risk through credit approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of accounts receivables.

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

Agewise breakup of trade receivables and contract assets are given below:

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Debtors billed but not due*	19,204.57	19,360.20
0-90 days past due	811.68	992.56
91-180 days past due	1.71	1.11
180-365 days past due	14.52	19.53
1-2 years past due	23.90	112.63
More than 2 years past due	15,684.06	19,676.86
<b>Total (A)</b>	<b>35,740.44</b>	<b>40,162.89</b>

\*Includes contract assets amounting to ₹ 19,155.93 lakhs (2024 - ₹ 19,322.31 lakhs). This represents amount recoverable from long term contracts for work completed in earlier years, however the customer has disputed the work against which litigation/arbitration is in progress. Basis the recoverability assessment, adequate provision has been considered, also refer note 13.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a trade receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

**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:**

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
<b>Balance at the beginning</b>	<b>36,752.88</b>	38,882.22
Provided during the year	58.35	23.90
Reversal during the year	(529.24)	(790.47)
Provision utilised against bad debts written off	(3,556.07)	(1,362.77)
<b>Balance at the end (B)</b>	<b>32,725.92</b>	36,752.88
Weighted average loss rate (Percentage) (C=B/A)	91.57%	91.51%

The allowance for expected life time credit loss contains allowance against outstanding trade receivables of ₹ 14,936.60 lakhs (2024- ₹ 19,043.75 lakhs) and contract assets balance of ₹ 17,789.31 lakhs (2024- ₹ 17,709.13 lakhs)

## Notes to the Consolidated Financial Statements

### 33 (ia) Ageing Schedule in respect of trade receivables for the year ended March 31, 2025 and March 31, 2024

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed trade receivables-considered good	<b>48.64</b>	<b>813.38</b>	<b>14.52</b>	<b>4.53</b>	-	<b>74.96</b>	<b>956.03</b>
	(37.90)	(969.76)	(19.53)	-	-	(73.68)	(1,100.87)
(b) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
	-	(23.90)	-	-	-	-	(23.90)
(c) Undisputed trade receivables-credit impaired	-	-	-	<b>23.90</b>	-	<b>2,488.36</b>	<b>2,512.26</b>
	-	-	-	(112.63)	(126.36)	(11,897.05)	(12,136.04)
(d) Disputed trade receivables-considered good	-	-	-	-	-	<b>691.88</b>	<b>691.88</b>
	-	-	-	-	-	(693.38)	(693.38)
(e) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
(f) Disputed trade receivables-credit impaired	-	-	-	-	-	<b>12,424.34</b>	<b>12,424.34</b>
	-	-	-	-	-	(6,886.39)	(6,886.39)
<b>Total</b>	<b>48.64</b>	<b>813.38</b>	<b>14.52</b>	<b>28.43</b>	-	<b>15,679.54</b>	<b>16,584.51</b>
	(37.90)	(993.66)	(19.53)	(112.63)	(126.36)	(19,550.50)	(20,840.58)
Less: Loss allowance for doubtful debts							<b>14,936.60</b>
							(19,043.75)
							<b>1,647.91</b>
							(1,796.83)
Unbilled Revenue including Contract Assets, net of provision (refer note 9 and 13)							<b>1,379.58</b>
							(1,665.11)
<b>Total</b>							<b>3,027.49</b>
							(3,461.94)

Note: Previous year figures are given in brackets.

### 33 (ii) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. (Also refer note 45)

## Notes to the Consolidated Financial Statements

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at 31.03.2025.

₹ in Lakhs

Particulars	Carrying Value	On demand	Less than 1 year*	1 to 2 Years	2 to 5 Years
<b>Non-derivatives</b>					
<b>Borrowings</b>					
- From others	<b>35,500.00</b> (35,500.00)	-	<b>35,500.00</b> (35,500.00)	-	-
- Cash credit	-	-	-	-	-
	-	-	-	-	-
<b>Trade payables</b>	<b>5,723.91</b> (5,889.69)	-	<b>5,723.91</b> (5,889.69)	-	-
<b>Other financial liabilities</b>					
- Deposits	<b>198.83</b> (198.83)	-	<b>198.83</b> (198.83)	-	-
- Capital creditors	<b>7.11</b> (5.88)	-	<b>7.11</b> (5.88)	-	-
- Employee benefit payable	<b>350.68</b> (359.63)	-	<b>350.68</b> (359.63)	-	-
- Others	-	-	-	-	-
	-	-	-	-	-
<b>Total non-derivative liabilities</b>	<b>41,780.53</b> (41,954.03)	-	<b>41,780.53</b> (41,954.03)	-	-

\*The liabilities having maturities of less than one year primarily includes borrowings obtained from significant promoter shareholder "HCL Corporation Private Limited" as part of financial support, also refer note 45.

Note: Previous year figures are given in brackets.

### 33 (ii) Ageing Schedule in respect of trade payable for the year ended March 31, 2025 and March 31, 2024

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME*	<b>18.93</b> (49.48)	-	-	-	-	<b>18.93</b> (49.48)
(b) Others	<b>45.16</b> (74.81)	<b>42.92</b> (237.29)	<b>2.21</b> (213.86)	<b>76.19</b> (330.47)	<b>1,912.30</b> (1,795.87)	<b>2,078.78</b> (2,652.30)
(c) Disputed dues - MSME*	-	-	-	-	<b>1.37</b>	<b>1.37</b>
	-	-	-	(1.37)	-	(1.37)
(d) Disputed dues - Others	-	-	-	-	<b>951.23</b>	<b>951.23</b>
	-	-	-	-	(951.23)	(951.23)
<b>Total</b>	<b>64.09</b> (124.29)	<b>42.92</b> (237.29)	<b>2.21</b> (213.86)	<b>76.19</b> (331.84)	<b>2,864.90</b> (2,747.10)	<b>3,050.31</b> (3,654.38)
Provision						<b>2,673.60</b> (2,235.31)
<b>Total</b>						<b>5,723.91</b> (5,889.69)

Note: Previous year figures are given in brackets.

\*MSME includes micro and small enterprises.

## Notes to the Consolidated Financial Statements

### 33 (iii) Market risk

#### (i) Mutual Fund risk

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

#### (ii) Interest rate risk

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

#### (iii) Foreign currency risk

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

### 33 (iii) (a) Foreign currency risk exposure

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

		₹ in Lakhs
Particulars		USD
<b>Financial Assets</b>		
Trade receivables		<b>1,216.33</b> (1196.11)
<b>Net exposure to foreign currency risk (assets)</b>		<b>1,216.33</b> (1196.11)
<b>Financial Liabilities</b>		
Trade Payables		<b>1,032.16</b> (1116.43)
<b>Net exposure to foreign currency risk (liabilities)</b>		<b>1,032.16</b> (1116.43)

Note: Previous year figures are given in brackets.

#### (b) Sensitivity

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

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (₹ in Lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024
USD sensitivity (assets)	5%	<b>60.82</b>	59.81	<b>(60.82)</b>	(59.81)
USD sensitivity (liabilities)	5%	<b>(51.61)</b>	(55.82)	<b>51.61</b>	55.82

## Notes to the Consolidated Financial Statements

### 34 Capital Management

#### Risk management

The Group's objective when managing capital are to safeguard their ability to continue as going concern and to maintain an optimal capital structure to reduce the cost of capital.

The Capital structure as of 31.03.2025 and 31.03.2024 were as follows:

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Total Debt	<b>35,500.00</b>	35,500.00
Equity	<b>(29,097.76)</b>	(26,931.95)
Capital and net debt	<b>6,402.24</b>	8,568.05
Gearing ratio*	<b>554.49%</b>	414.33%

\* The company has no external borrowings other than borrowing obtained from significant promoter shareholder "HCL Corporation Private Limited" as part of financial support, also refer note 45.

### 35 Segment Reporting

The Group had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, management has reassessed the segment disclosure and believes that with the scale down of the Distribution business which is limited to providing IT support services (primarily annual maintenance activities) and progressive decline in learning operations, the Chief Operating Decision maker primarily focusses on combined business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group has aggregated its segments into a single segment which is providing IT support services and hence no separate disclosure is required for Segment as per Ind AS 108 'Operating Segments'.

### 36 Taxation:

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

#### Unrecognized deferred tax assets

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

₹ in Lakhs

Particulars	As at 31.03.2025	As at 31.03.2024
Deductible temporary differences	<b>49,357.10</b>	54,098.23
Unused tax losses	<b>65,596.13</b>	66,789.30
<b>Total temporary differences and unused tax losses</b>	<b>1,14,953.23</b>	1,20,887.53
Potential tax benefit @ 22.88% (FY'2024 -22.88%)	<b>26,301.30</b>	27,659.07
Unutilized tax credit	-	-
<b>Total Potential tax benefit @ 22.88% (FY'2024 -22.88%)</b>	<b>26,301.30</b>	27,659.07



## Notes to the Consolidated Financial Statements

### (c) Income tax expense (Continuing operations)

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

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
<b>Income tax expense</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	5.76
<b>Total current tax expense</b>	-	5.76
<b>Deferred tax</b>		
Decrease/(increase) in MAT Credit	-	-
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	-	-
<b>Income tax expense</b>	-	5.76

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

₹ in Lakhs

Particulars	31.03.2025	31.03.2024
Loss before tax from continuing operations	(2,110.92)	(1,581.60)
<b>Tax using the company's domestic tax rates of 22.88% (2024 – 22.88%)</b>	<b>(482.98)</b>	<b>(361.87)</b>
Tax effect of non deductible expense:	-	-
Impairment (reversal) of investment and inter corporate deposits	-	-
Temporary differences on which no DTA recognised	<b>(470.90)</b>	(546.91)
Impact of Indexation on sale of capital assets	-	-
Long term capital (income)/loss for which no deferred tax recognised	-	(313.52)
Other items	-	-
Changes in estimates related to prior years	-	5.76
Tax losses on which no deferred tax was recognized	<b>953.88</b>	1,222.30
<b>Income tax expense</b>	-	5.76

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

₹ in Lakhs

Expiry year	As at 31.03.2025	As at 31.03.2024
31.03.2025	-	4,430.96
31.03.2026	<b>10,080.37</b>	10,080.25
31.03.2027	<b>11,960.07</b>	11,959.65
31.03.2028	<b>12,693.22</b>	12,693.22
31.03.2029	<b>12,352.73</b>	12,352.95
31.03.2030	<b>2,827.30</b>	2,827.30
31.03.2032	<b>2,625.05</b>	3,553.75
31.03.2033	<b>3,898.89</b>	-
No limit	<b>9,158.50</b>	8,891.22
<b>Total</b>	<b>65,596.13</b>	66,789.30

Note: Excluding unused capital loss.

## Notes to the Consolidated Financial Statements

### 37 Leases:

#### Cancelable Operating Leases

##### As a Lessee

In terms of criteria specified in Ind AS 116 Leases, the company does not have any lease other than with short term period. Rent expenses in respect of short term leases amounting ₹ 69.74 lakhs (2024 - ₹ 67.97 lakhs) is expensed off on straight line basis over lease term as rent expenses (refer note 28).

### 38 Earnings/(Loss) per share (EPS)

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

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Loss after tax from continuing operations attributable to owners of the HCL Infosystems Limited (₹ in lakhs)	(2,110.92)	(1,587.36)
Loss after tax from continuing operations (₹ in lakhs)	(2,110.92)	(1,587.36)
Weighted average number of shares considered as outstanding in computation of Basic EPS	32,92,09,928	32,92,09,928
Weighted average number of shares outstanding in computation of Diluted EPS	32,92,09,928	32,92,09,928
<b>Basic EPS (of ₹ 2/- each) (₹ Per share)</b>		
From continuing operations	(0.64)	(0.48)
<b>Diluted EPS per share (of ₹ 2/- each) (₹ Per share)</b>		
From continuing operations	(0.64)	(0.48)

### 39 The Group has calculated the various benefits provided to employees as under:

#### (a) Defined Contribution

During the year, the Group has recognised the following amounts in the statement of profit and loss:

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Employers contribution to superannuation fund*	2.93	2.30
Employers contribution to national pension scheme*	3.67	3.00
Employers contribution to employee state insurance*	-	0.06
Employers contribution to employee's pension scheme 1995*	20.77	21.61
Employers contribution to Provident Fund*	28.46	26.05

\* Included in Contribution to Provident and Other Funds under Employee benefits expense (refer note 26).

## Notes to the Consolidated Financial Statements

### (b) Defined Benefit

#### Gratuity

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

Particulars	Gratuity	
	Year ended 31.03.2025	Year ended 31.03.2024
Discount rate (per annum)	6.54%	7.21%
Rate of increase in compensation levels	8.00%	7.00%
Rate of return on plan assets	-	-
Expected statutory interest rate	-	-
Expected short fall in interest earnings	-	-
Expected average remaining working lives of employees (years)	8.62	9.94

As of 31.03.2025, every 0.5 percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately by ₹ 2.70 lakhs.

As of 31.03.2025, every 0.5 percentage point increase / decrease in weighted average rate of increase in compensation levels will effect our gratuity benefit obligation by approximately ₹ 2.67 lakhs.

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

#### Description of risk exposures:

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

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

₹ in Lakhs

Particulars	2025	2024
	Gratuity	
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>		
Present value of obligation at the beginning of the year	180.68	165.55
Current service cost	14.19	16.31
Interest cost	13.03	12.05
<b>Total amount recognised in profit or loss</b>	<b>27.22</b>	<b>28.36</b>
Actuarial (gain)/loss from change in demographic assumptions	(3.46)	3.83
Actuarial (gain)/loss from change in financial assumptions	17.04	0.45
Experience (Gain)/loss	(9.10)	0.15
<b>Total amount recognised in other comprehensive income</b>	<b>4.48</b>	<b>4.43</b>
Benefits paid	(26.42)	(17.66)
<b>Present value of obligation at the end of the year</b>	<b>185.96</b>	<b>180.68</b>

**Notes to the Consolidated Financial Statements**
**₹ in Lakhs**

Particulars	2025	2024
	Gratuity	
<b>Cost recognised for the year:</b>		
Current service cost	14.19	16.31
Interest cost	13.03	12.05
Actuarial (gain)/loss	4.48	4.43
Net cost recognised for the year*	31.70	32.79

\* Included in salaries, wages, bonus and gratuity for gratuity and contribution to provident and other funds for provident fund under employee benefits expense (refer note 26).

**Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:**
**₹ in Lakhs**

Particulars	31.03.2025	31.03.2024
	Gratuity	
Present value of the obligation as at the end of the year	185.96	180.68
Assets/(Liabilities) recognised in the Balance Sheet*	(185.96)	(180.68)

\* Excluding liabilities of ₹ 2.13 lakhs (2024 - ₹ 0.03 lakh) for inactive employees

**40 Relationship with struck off Companies for the year ended March 31, 2025 and March 31, 2024 ₹ in Lakhs**

Name of Struck companies	Nature of transactions with struck off companies	Balance Outstanding	Relationship with the struck off company
Mirthway Marketing Network Limited	50 Shares held	0.00 (0.00)	Equity Shareholder
Kothari Intergroup Limited	5 Shares held	0.00 (0.00)	Equity Shareholder
Dream World Commodity Services Private limited	75 Shares held	0.00 (0.00)	Equity Shareholder
Blue Mountain Holdings Private Limited	425 Shares held	0.01 (0.01)	Equity Shareholder
Dreams Broking Private Limited	40 Shares held	0.00 (0.00)	Equity Shareholder
Pegasus Mercantile Pvt Limited	1000 Shares held	0.02 (0.02)	Equity Shareholder
M/s Accent Net Technologies Private Limited	Trade Payable	2.25 (2.25)	Vendor
Arka Industrial Monitoring Systems	Trade Receivable	- (3.27)	Customer
Hp Financial Services India Private Limited	Trade Receivable	- (3.28)	Customer
Vs Infocom	Trade Receivable	- (0.37)	Customer
Chiptek Systems Private Limited	Trade Receivable	- (3.33)	Customer
Creative Academy Private Limited	Trade Receivable	- (0.65)	Customer
Falcon Infosoft Private Limited	Trade Receivable	- (0.73)	Customer
Ishita Technologies Private Limited	Trade Receivable	- (0.02)	Customer

**Note:**

1. Previous year figures are given in brackets.
2. Amount in '00' represents less than ₹ one thousand.

## Notes to the Consolidated Financial Statements

### 41 Remuneration to Auditor\*:

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
For statutory audit including limited review	51.50	46.50
For tax audit	1.50	1.50
For group reporting and certifications	8.50	9.25
For reimbursement of expenses	6.15	5.73
<b>Total</b>	<b>67.65</b>	<b>62.98</b>

\* Excluding GST as applicable.

### 42 Status of Charges beyond statutory period (borrowings)

The following satisfaction is yet to registered with Registrar of Companies beyond statutory period for the year ended March 31, 2025.

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

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

- 43** In order to reduce Group's debt obligations, the Group has decided to monetize Group owned properties in a phased manner. The remaining Group's properties are not being fully utilized due to changes in the business of the Group, therefore as a part of ongoing property monetisation plan, during the year ended, March 31, 2025, the Group has disposed one property situated in Mumbai, having net carrying amount of ₹ 51.12 lakhs, for a consideration of ₹ 635 lakhs, resulting in overall gain of ₹ 583.88 lakhs (similar gain recognised of ₹ 1,196.36 lakhs for the year ended March 31, 2024).
- 44** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 45** The Group has continuously made losses during past years and its net worth has been fully eroded. Further the Group has incurred a net loss of ₹ 2,110.92 lakhs, during the year ended March 31, 2025 (year ended March 31, 2024: net loss ₹ 1,587.36 lakhs) and the Group's current liabilities exceeded its current assets by ₹ 48,174.86 lakhs as at March 31, 2025 (March 31, 2024: ₹ 51,748.49 lakhs). The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression.

The Group had originally entered into multiple long term contracts forming part of erstwhile 'Hardware Solutions Business' which was transferred to HCL Infotech Limited through Scheme of Arrangement with the remaining term of ongoing contract upto year 2031. Therefore, there is a constructive obligation for the Group to provide operational and financial support to HCL Infotech Limited for execution of its contracts. Further, such transferred business has continued to face challenges in obtaining timely customer acceptance and sign-offs for completed projects, leading

**Notes to the Consolidated Financial Statements**

to delays in receiving payments. As a result, though the number of contracts reaching closure has increased, there is no significant progress in recovering outstanding receivables from customers. To address this issue, the Group has initiated arbitration proceedings against several customers to recover the dues owed. Accordingly, the management will ensure continuity of operations to support execution of long terms contracts originally assigned to the Group and recovery of dues owned by HCL Infotech Limited that are held up for a long time.

To ensure the necessary financial support for above operations, the Board of Directors of HCL Corporation Private Limited (a significant promoter shareholder) has approved support in the form of corporate guarantees to banks of ₹ 39,600 lakhs [utilised ₹ 20,372.47 lakhs (2024 - ₹ 14,148.02 lakhs)] and interest free unsecured loans of ₹ 35,500 lakhs [utilised ₹ 35,500 lakhs (2024 - ₹ 35,500 lakhs)] to HCL Infosystems Limited out of total authorized limit of ₹ 1,50,000 lakhs. This had been approved by the shareholders of the Group, vide their resolution dated September 14, 2017. Considering the above support, the management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations including long term contracts transferred to HCL Infotech Limited and liabilities as they fall due in the near future in the normal course of business. Accordingly, these consolidated financial results have been prepared on a going concern basis.

- 46** Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties and obtaining legal opinion, the Group has credited in Statement of Profit and Loss on account of write back of certain provisions of ₹ 476.44 lakhs, for the year ended March 31, 2025 (2024: ₹ 1,037.60 lakhs) and reversal of loss allowance for doubtful debts ₹ 529.24 lakhs, for the year ended March 31, 2025 (2024: ₹ 159.86 lakhs).
- 47** HCL Infosystems Limited ('the Holding Company') was appointed as the Managed Service Provider ("MSP") by Unique Identification Authority of India ('UIDAI') vide the contract dated 6 August 2012 to implement and manage the Central Identities Data Repository (CIDR). The said contract originally ended on 6 August 2019 and then was unilaterally extended by the UIDAI. The Holding Company challenged this unilateral extension of the MSP contract by UIDAI before the Hon'ble Arbitral Tribunal. The Holding Company and UIDAI entered into consent terms dated 5 May 2020 (which also formed part of the consent order dated 7 May 2020 passed by the Hon'ble Arbitral Tribunal) and the Company agreed to perform services for UIDAI subject to the terms and conditions of the consent terms. As per the consent terms executed between UIDAI and the Holding Company, the Holding Company has completed performance of services as per the terms of the MSP Contract, without prejudice to its rights and contentions in the arbitration proceedings, till 6 April 2021 (including knowledge transfer period of 3 months) and the annual maintenance contract and software licenses for the period till 6 August 2021. The Hon'ble Arbitral Tribunal on 19 June 2020 passed the liability award wherein it held that the extension of the MSP contract by UIDAI is not valid, and also stipulates that the Company is entitled to receive the consideration for its services during the period covered by the consent terms, i.e. from May 2020 to August 2021, at the current market value. Accordingly, in previous years, the company has recognised revenue basis the existing contract price. The claim for additional consideration basis the current market value of services is pending before arbitration as on date and related income will be recognised in the period in which same will be determined.
- 48** HCL Infosystems Limited (HCLI) has initiated Arbitration Proceedings with respect to dispute against the customers for contracts which were originally awarded to HCLI and were subsequently transferred to HCL Infotech Limited (Infotech) under the Scheme of Arrangement in 2013 as approved by Delhi High Court.
- Against one of such contract, the group has received an amount of ₹ 12,341.73 Lakhs in earlier years against equivalent Bank Guarantee. For another contract, part payment of ₹ 1,330.52 Lakhs was received during the year ended March 31, 2025 against equivalent Bank Guarantee. Considering the counterparty's appeal in these matters are sub-judice before the High Court and pending for disposal as on date, the group has not recognised any income with respect to these orders and the amount received has been shown as "amount collected under litigation" as a part of other current liabilities in the financial statement.
- 49** The Company in earlier years entered into Share Purchase Agreement (SPA) dated May 31, 2018 with Karvy Data Management Services Ltd. for sale of shares in HCL Services Limited As per clause 2.3 of SPA, business consideration of ₹ 648.81 lakhs represents the Second Stage Consideration linked with the Income Tax refunds receivable for the period upto the Financial Year March 31, 2018. The above amount represents refunds due for the Assessment Years 2015-16 and 2018-19 held up due to appeals pending for these Assessment Years from 2015-16 to 2018-19. Karvy is obligated to pay these amounts only on receipt of the same from the Income tax department. The management has assessed the probability of these tax refunds basis which a favourable outcome is expected accordingly refunds will be received from the Income tax department for all the years.

## Notes to the Consolidated Financial Statements

### 50 Additional information to consolidated accounts as at 31.03.2025 (Pursuant to Schedule III of the Companies Act 2013):

₹ in Lakhs

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount
<b>Parent company</b>								
HCL Infosystems Limited	100.56	(29,260.95)	103.52	(2,185.14)	11.07	(6.08)	101.17	(2,191.22)
<b>Subsidiaries: Indian</b>								
HCL Infotech Limited	40.20	(11,698.56)	60.58	(1,278.77)	(2.91)	1.60	58.97	(1,277.17)
Pimpri Chinchwad eServices Limited	0.01	(4.34)	0.07	(1.39)	-	-	0.06	(1.39)
<b>Subsidiaries: Foreign</b>								
Nurture Technologies FZE, Dubai [refer note 51]	-	-	(3.91)	82.44	675.65	(370.85)	13.32	(288.41)
HCL Investments Pte Limited, Singapore	(15.26)	4,440.94	0.64	(13.51)	(583.81)	320.44	(14.17)	306.93
Intra-Group Eliminations	(25.51)	7,425.15	(60.90)	1,285.45	-	-	(59.35)	1,285.45
<b>Total</b>	<b>100.00</b>	<b>(29,097.76)</b>	<b>100.00</b>	<b>(2,110.92)</b>	<b>100.00</b>	<b>(54.89)</b>	<b>100.00</b>	<b>(2,165.81)</b>

### Additional information to consolidated accounts as at 31.03.2024 (Pursuant to Schedule III of the Companies Act 2013):

₹ in Lakhs

Name of the Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount	As a % of consolidated net (profit)/ loss	Amount
<b>Parent company</b>								
HCL Infosystems Limited	100.51	(27,069.73)	97.95	(1,554.88)	1.04	0.05	98.25	(1,554.83)
<b>Subsidiaries: Indian</b>								
HCL Infotech Limited	38.70	(10,421.39)	94.31	(1,496.96)	(91.25)	(4.48)	94.88	(1,501.44)
Pimpri Chinchwad eServices Limited	0.01	(2.95)	0.09	(1.44)	-	-	0.09	(1.44)
<b>Subsidiaries: Foreign</b>								
Nurture Technologies FZE, Dubai [refer note 51]	12.57	(3,386.58)	1.44	(22.82)	242.46	11.90	0.69	(10.92)
HCL Investments Pte Limited, Singapore	(29.01)	7,812.48	0.97	(15.42)	(52.25)	(2.56)	1.14	(17.98)
Intra-Group Eliminations	(22.78)	6,136.22	(94.78)	1,504.16	-	-	(95.05)	1,504.16
<b>Total</b>	<b>100.00</b>	<b>(26,931.95)</b>	<b>100.00</b>	<b>(1,587.36)</b>	<b>100.00</b>	<b>4.91</b>	<b>100.00</b>	<b>(1,582.45)</b>

**51** Nurture Technologies FZE (hereinafter called as "Nurture") [registered with Dubai Airport Free Zone Authority (DAFZA)], (formerly known as HCL Infosystems MEA FZE) is a wholly owned subsidiary of HCL Investments Pte. Ltd. registered in Singapore. Nurture is a step down subsidiary of HCL Infotech Limited which is a wholly owned subsidiary of HCL Infosystems Limited.

The principal activities of Nurture were development and trading of software and hardware systems and IT solutions. However, there were no operations in Nurture. Considering there was no plan for any operations in future, the Board of Directors of HCL Investments Pte, Limited in its meeting held on February 14, 2025, approved the liquidation of the company. Accordingly, the liquidation report has been issued by the liquidator dated March 18, 2025 and the certificate of dissolution has been issued by the Dubai Integrated Economic Zones Authority on April 03, 2025.

## Notes to the Consolidated Financial Statements

Below table summarise impact of liquidation of Nurture:

₹ in Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
<b>Income :</b>		
Revenue from operations	-	-
Other income (refer note below)	87.21	14.88
<b>Total Income</b>	<b>87.21</b>	<b>14.88</b>
<b>Expenses :</b>		
Other expenses	4.76	37.72
<b>Total expenses</b>	<b>4.76</b>	<b>37.72</b>
<b>Profit / (Loss) for the year</b>	<b>82.45</b>	<b>(22.84)</b>

Note: Other income is on account of reversal of provisions / payable balances.

### 52 Other Statutory Information

- The group does not have any benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- The group is not declared a wilful defaulter by any bank or financial institution or any other lender.
- The group has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- The group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- There is no immovable properties not held in the name of the group.
- The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### 53 Subsequent Events

The group evaluated all events or transactions that occurred after March 31, 2025 through May 23, 2025, the date the group issued these financial statements. During this period, the group did not have any material recognizable subsequent events.

#### For B S R & Associates LLP

Chartered Accountants

ICAI Registration Number-116231W/W-100024

#### Girish Arora

Partner

Membership Number - 098652

For and on behalf of the Board of Directors of

#### HCL Infosystems Limited

#### Pawan Kumar Danwar

Director

DIN - 06847503

#### Alok Sahu

Chief Financial Officer

#### Raghu Venkat Chivukula

Director

DIN - 00520704

#### Raj Kumar Sachdeva

Manager

#### Twinkle Monga

Company Secretary

New Delhi: May 23, 2025

Noida : May 23, 2025



**Statement pursuant to first proviso to sub section (3) of Section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed FORM AOC-1 relating to Subsidiaries**

(₹/Lakhs) except % of shareholding

S. No.	Name of the Subsidiary Company/Joint Venture	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share holding	Country
1.	HCL Infotech Limited	INR	1.00	22.03	(11,720.59)	21,127.68	32,826.24	812.50	3,880.12	(1,278.77)	-	(1,278.77)	-	100	India
2	Pimpri Chinchwad eServices Limited	INR	1.00	5.00	(9.34)	0.82	5.16	-	-	(1.39)	-	(1.39)	-	85	India
3	"Nuture Technologies FZE" (formerly known as HCL Infosystems MEA FZE), Dubai"	AED	24.02	8,755.45	(8,755.45)	-	-	-	87.21	82.45	-	82.45	-	100	Dubai
4	HCL Investments Pte Limited, Singapore	SGD	65.00	841.17	(396.11)	527.74	82.68	-	230.43	197.73	-	197.73	-	100	Singapore

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

**HCL Infosystems Limited**

**Pawan Kumar Danwar**  
Director  
DIN - 06847503

**Raghu Venkat Chivukula**  
Director  
DIN - 00520704

**Alok Sahu**  
Chief Financial Officer

**Raj Kumar Sachdeva**  
Manager

**Twinkle Monga**

Company Secretary

**Noida : May 23, 2025**

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