

Particulars		Consolidated				
		Three months ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Audited	Unaudited	Audited	Audited	
1	Income					
	Revenue from operations	4,346	7,203	22,771	35,275	1,81,517
	Other income	7,856	1,431	2,596	11,327	7,678
	Total Income	12,202	8,634	25,367	46,602	1,89,195
2	Expenses					
(a)	Cost of materials consumed	-	-	-	-	-
(b)	Purchase of stock-in-trade	(160)	1,802	18,062	18,124	1,55,906
(c)	Changes in inventories of finished goods and stock-in-trade	213	987	2,362	2,507	6,760
(d)	Other direct expense	1,510	3,295	(401)	11,814	8,208
(e)	Employee benefits expense	1,578	1,873	2,589	8,049	11,048
(f)	Finance costs	956	1,170	1,834	5,235	9,043
(g)	Depreciation and amortisation expense	80	93	166	427	880
(h)	Other expenses	12,011	2,846	7,321	19,921	21,384
	Total expenses	16,188	12,066	31,933	66,077	2,13,229
3	Loss before exceptional items and tax from continuing operations (1 - 2)	(3,986)	(3,432)	(6,566)	(19,475)	(24,034)
4	Exceptional Items gain (Refer note 6)	-	-	(290)	-	1,275
5	Loss before tax from continuing operations (3 + 4)	(3,986)	(3,432)	(6,856)	(19,475)	(22,759)
6	Tax expense / (credit)					
(a)	Current tax	198	-	(33)	198	8
(b)	Deferred tax expense	-	-	187	-	6,209
7	Loss for the period from continuing operations (5 - 6)	(4,184)	(3,432)	(7,010)	(19,673)	(28,976)
8	Profit / (loss) before tax from discontinued operations (Refer note 2)	-	-	(66)	-	405
9	Profit / (loss) on disposal of discontinued operations (Refer note 2)	-	-	45	-	15,076
10	Tax expense / (credit) of discontinued operations (Refer note 2)	-	-	63	-	138
11	Net Profit / (loss) for the period from discontinued operations (8 + 9 - 10)	-	-	(84)	-	15,343
12	Net Loss for the period (7+ 11)	(4,184)	(3,432)	(7,094)	(19,673)	(13,633)
13	Other comprehensive income					
A (i)	Items that will not be reclassified to profit and loss	(21)	-	(49)	(21)	(49)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
B (i)	Items that will be reclassified to profit and loss	19	(150)	29	(99)	461
(ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of income tax	(2)	(150)	(20)	(120)	412
14	Total comprehensive income for the period (12 + 13)	(4,186)	(3,582)	(7,114)	(19,793)	(13,221)
15	Net Profit/(Loss) attributable to:					
	- Shareholders	(4,184)	(3,432)	(7,094)	(19,673)	(13,633)
	- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
	Total comprehensive income attributable to:					
	- Shareholders	(4,186)	(3,582)	(7,114)	(19,793)	(13,221)
	- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
16	Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584
17	Reserve as per balance sheet of previous accounting year	-	-	-	(30,591)	(10,798)
18	Earnings per share for continuing operations (of Rs 2/- each) (not annualised):					
(a)	Basic	(1.27)	(1.04)	(2.13)	(5.98)	(8.80)
(b)	Diluted	(1.27)	(1.04)	(2.13)	(5.98)	(8.80)
19	Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):					
(a)	Basic	-	-	(0.03)	-	4.66
(b)	Diluted	-	-	(0.03)	-	4.66
20	Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):					
(a)	Basic	(1.27)	(1.04)	(2.16)	(5.98)	(4.14)
(b)	Diluted	(1.27)	(1.04)	(2.16)	(5.98)	(4.14)

Particulars	Consolidated	
	As at	As at
	31.03.2021 (Audited)	31.03.2020 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,518	5,362
Right of use assets	28	136
Capital work-in-progress	16	-
Other intangible assets	8	36
Financial assets		
i. Other financial assets	3,970	3,739
Advance income tax asset (net)	8,641	11,625
Other non-current assets	17,580	20,740
Total non-current assets	33,761	41,638
Current assets		
Inventories	284	2,791
Financial assets		
i. Trade receivables	8,686	19,394
ii. Cash and cash equivalents	3,882	5,526
iii. Bank balances other than (ii) above	567	2,310
iv. Other financial assets	1,137	6,073
Other current assets	15,100	26,698
Assets held for sale	1,505	265
Total current assets	31,161	63,057
Total assets	64,922	1,04,695
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,584	6,584
Other equity	(30,591)	(10,798)
Non-controlling interests	(0.00)	(0.00)
Total equity	(24,007)	(4,214)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	5,903	2,275
ii. Lease obligation	28	161
Provisions	212	446
Deferred tax liabilities (net)	-	-
Total non-current liabilities	6,143	2,882
Current liabilities		
Financial liabilities		
i. Borrowings	41,490	43,638
ii. Trade payables	13,510	34,729
iii. Other financial liabilities	8,166	7,391
Other current liabilities	14,277	15,834
Provisions	5,343	4,435
Current tax liabilities (net)	-	-
Total current liabilities	82,786	1,06,027
Total liabilities	88,929	1,08,909
Total equity and liabilities	64,922	1,04,695

Segment-wise information

Particulars	Three months ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited	Unaudited	Audited	Audited	
1. Segment Revenue					
- Hardware Products and Solutions	3,684	3,816	4,002	13,537	15,431
- Services *	-	-	262	-	26,415
- Distribution	662	3,387	18,769	21,738	1,65,595
- Learning	-	-	-	-	537
Total	4,346	7,203	23,033	35,275	2,07,978
Less : Intersegment revenue	-	-	-	-	49
Revenue from operations	4,346	7,203	23,033	35,275	2,07,929
2. Segment results (profit / (loss) before tax and interest from each segment)					
- Hardware Products and Solutions	(2,836)	(860)	(259)	(8,218)	(7,952)
- Services *	-	-	(64)	-	11
- Distribution	95	(268)	(4,132)	(3,439)	(6,023)
- Learning	109	10	(12)	118	670
Total	(2,632)	(1,118)	(4,467)	(11,539)	(13,294)
Less :					
i) Interest expense	956	1,170	1,834	5,235	9,062
ii) Other un-allocable expenditure net off un-allocable (income)	398	1,144	576	2,701	(15,078)
Total Profit / (Loss) before tax	(3,986)	(3,432)	(6,877)	(19,475)	(7,278)
3. Segment Assets					
- Hardware Products and Solutions	28,161	35,550	36,462	28,161	36,462
- Services *	-	-	-	-	-
- Distribution	14,096	15,855	37,928	14,096	37,928
- Learning	192	223	235	192	235
- Unallocated	22,473	24,271	30,070	22,473	30,070
Total Assets	64,922	75,899	1,04,695	64,922	1,04,695
4. Segment Liabilities					
- Hardware Products and Solutions	26,486	35,469	30,620	26,486	30,620
- Services *	-	-	-	-	-
- Distribution	4,204	6,388	20,931	4,204	20,931
- Learning	130	371	449	130	449
- Unallocated	58,109	53,488	56,909	58,109	56,909
Total Liabilities	88,929	95,716	1,08,909	88,929	1,08,909

* Refer Note 2

Notes

- After recommendation by the Audit Committee, these results have been approved and taken on record by the Board of Directors at its meeting held on June 25, 2021. The statutory auditors have issued audit report with unmodified opinion on these results.
- The Board of Directors of HCL Infosystems Limited in its meeting held on August 06, 2019 had approved to sell the entire shareholding held by HCL Learning Limited (a subsidiary of HCL Infosystems Limited) in HCL Insys Pte Ltd, Singapore (step subsidiary) after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited). The sale was made to PCCW Solutions Ltd for a total consideration of Rs.30,335 lakhs. The transaction was completed on November 15, 2019.

Accordingly, the business operations associated with these transactions have been considered as discontinued operations. The relevant information for all the period presented, attributable to these discontinued operations are as below.

Particulars	Three months ended			Year to date	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited	Unaudited	Audited	Audited	
Total revenue (including Other income)	-	-	260	-	26,694
Total expenditure	-	-	326	-	26,289
Profit before tax	-	-	(66)	-	405
Tax expense	-	-	63	-	138
Profit after tax	-	-	(129)	-	267
Profit on disposal of discontinued operations	-	-	45	-	15,076

- As at March 31, 2021, the Group has accumulated losses and its net worth has been fully eroded, the Group has incurred a net loss of Rs. 19,673 Lakhs during the current year (March 31, 2020: Rs. 13,633 Lakhs) and the Group's current liabilities exceeded its current assets by Rs 51,625 lakhs (March 31, 2020 - Rs. 42,970 Lakhs) as at March 31, 2021. The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. The management of HCL Infosystems Limited (Parent Company), is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 5), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support (in the form of corporate guarantees and unsecured loans) to the Parent Company upto Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Parent Company, vide their resolution dated September 14, 2017. Considering the above support, the Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

- Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Group's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.

- In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Group, the Distribution businesses of the Group were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the year.

- Exceptional items include :

Particulars	Three months ended			Year to date	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited	Unaudited	Audited	Audited	
Gain on sale of property, plant and equipments*	-	-	-	-	1,565
Impairment of properties	-	-	(290)	-	(290)
Total gain	-	-	(290)	-	1,275

* Year ended 31 March 2020- Rs.1,565 lakhs, represents profit on sale of properties situated at Plot No. 10, CTS No. 86 Lohagaon, Viman Nagar, Pune and G-8,9,10, Sector 3, and B-13,14 Sector 8, Noida location under property monetization plan, under which agreement to sale was approved by the Board of Directors on May 13, 2019 and May 20, 2019 respectively.

- The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ("NCLT") at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger.

Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results.

- In order to reduce Group's debt obligations, the Group has decided to monetize Group owned properties in a phased manner. Several of Group's properties are not being fully utilized due to changes in the business of the Group. Pursuant to the Board approval dated January 25, 2021, May 18, 2021 and May 25, 2021, the Group has intended to dispose the four properties located in Mohali, Sector-11 Noida, Saderapet and Hyderabad, having gross carrying amount of Rs 1,986 Lakhs, accumulated depreciation of Rs. 481 Lakhs and net carrying amount of Rs.1,505 Lakhs, for a consideration of Rs. 7,986 Lakhs. Out of abovementioned four properties, the Group has sold three properties located in Mohali, Sector-11 Noida and Saderapet as on the date of approval of the financial statements for issue. For one property located at Hyderabad, the Group has identified the buyer and transfer the title of such property is expected in the near future.

- HCL Infosystems Limited ('the 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 Company challenged this unilateral extension of the MSP contract by UIDAI before the Hon'ble Arbitral Tribunal. However, while the arbitration proceedings were pending, the Company was constrained to agree for an adhoc extension for a period of 9 months plus 3 months Knowledge Transfer Period after August 2019. Later, the 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. Thereafter, 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. As per the consent terms executed between UIDAI and the Company, the Company has agreed to perform 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). The Company has further agreed to extend the annual maintenance contract and software licenses for the period till 6 August 2021. As per consent terms signed by the both the parties, the Company would continue to raise invoices to UIDAI as per the rates originally agreed in the MSP contract though the Company is entitled to claim market rate for the services provided to UIDAI, the quantum of which shall be decided in the subsequent hearings of the Arbitration proceedings.

Pending determination of the current market value through arbitration, no revenue has been recognized by the Company for the difference in the expected current market value and the existing contract price which will be recognized once the same has been determined by the Hon'ble Arbitral Tribunal in the future. Further, the costs have been recognized based on the revised rates agreed during negotiations with the vendors completed during the current financial year. This has resulted into recognition of additional loss of Rs 2,440 lakh during the current financial year, for the remaining contract period.

10. 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 its Statement of Profit and Loss with Rs. 5,987.28 Lakhs and Rs 7,118.17 Lakhs, for the quarter ended and year ended March 31, 2021 respectively (Rs. 2,048.74 Lakhs and Rs. 2,484.71 Lakhs, for the quarter and year ended March 2020 respectively), on account of write back of certain old payables and provisions.
11. The Group is facing delays in receipts from the customers, primarily in the power sector, due to which the Group has charged Rs. 8,805.68 Lakhs and Rs. 9,013.91 Lakhs, in the Statement of Profit and Loss, for the quarter ended and year ended March 31, 2021 respectively (Rs. 4,851.60 Lakhs and Rs. 11,054.17 Lakhs, for the quarter and year ended March 2020 respectively) on account of provision for certain receivable balances.
12. Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
13. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
14. The Board of Directors of HCL Infosystems Limited in its meeting held on February 10, 2021 had approved to sell the entire shareholding held by HCL Infosystems Limited in HCL Infotech Limited at "Net Asset Value" as on closing date, after acquiring the undertaking which shall comprise of the business relating to two specific projects through a business transfer agreement, certain other assets and liabilities through assignment deed and HCL Investments Pte., Singapore & it's step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out as on September 30, 2020 is Rs 14,700 Lakhs. The sale will be made to Novezo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the customers of our key defense project which is forming part of the deal has asked us to maintain status quo and further explore alternative options. The Company is in active discussion with the investor and the customer and this transaction is expected to take longer time than expected initially with of change in terms. Since, the closure of transaction is subject to certain conditions precedents, which are considered to be substantive in nature, the accounting effect of the above transaction has not been considered in these financial results.
15. Consolidated Results include financial results of HCL Infosystems Limited, HCL Infotech Limited, Digilife Distribution and Marketing Services Limited, HCL Learning Limited, HCL Investment Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE.
16. A statement of cash flow is attached in Annexure A

for HCL Infosystems Limited

Nikhil Sinha
Chairperson

Place : Noida
Date : June 25, 2021

Consolidated Cash Flow Statement for year ended March 31, 2021

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
	Audited	Audited
Cash Flow from Operating Activities^A:		
Loss before tax from continuing and discontinued operations	(19,475)	(7,278)
Adjustments for:		
Depreciation and amortisation expense	427	1,813
Finance cost	5,235	9,062
Interest income	(3,450)	(3,474)
Net profit on sale of property, plant and equipment	(27)	(10)
Profit on disposal of discontinued operations	-	(15,076)
Profit on sale of properties	-	(1,565)
Impairment of property, plant and equipments	-	290
Property, plant and equipment written-off	40	12
Gain on foreign exchange fluctuation	17	(148)
Provision for doubtful debts	8,895	10,972
Provision for doubtful loans and advances and other current assets	98	19
Provisions/liabilities no longer required written back	(7,314)	(2,669)
Provisions for other current assets	2,257	-
Operating loss before working capital changes	(13,297)	(8,052)
Changes in operating assets and liabilities		
- Decrease / (increase) in trade receivables	9,751	18,905
- Decrease / (increase) in non-current assets	3,169	(1,278)
- Decrease in current assets	8,519	18,772
- Decrease in inventories	2,507	6,760
- Increase in non current liabilities	(234)	147
- Decrease / (increase) in current liabilities	(15,497)	(28,109)
Cash flow from / (used in) operations	(5,082)	7,145
- Taxes (paid) / received	3,607	(933)
Net cash flow from / (used in) operating activities (A)	(1,475)	6,212
Cash flow from investing activities^A:		
Proceeds from the sale of investment in subsidiaries*	-	19,638
Payment for property, plant and equipment (including intangible assets)	(42)	(119)
Proceeds from sale of properties	325	2,991
Receipt of business consideration on sale of investment in subsidiaries	(5)	4,859
Redemption/Investments in bank deposits	1,603	12,889
Movement in margin money account	(95)	(1,526)
Movement in balances with banks on dividend account	-	12
Interest received	257	563
Net cash flow from investing activities (B)	2,043	39,307
Cash Flow from Financing Activities^A:		
Lease obligation paid	(133)	(177)
Proceeds from loans and borrowings	1,78,179	1,80,026
Repayment of loans and borrowings	(1,74,948)	(2,19,416)
Interest paid	(5,268)	(9,422)
Unclaimed deposit / dividend transferred to investor protection fund	(47)	(12)
Net cash from financing activities (C)	(2,217)	(49,001)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,649)	(3,482)
Opening balance of cash and cash equivalents	5,526	9,042
Exchange difference on translation of foreign currency cash and cash equivalent	5	(4)
Effect of exchange differences on translation of foreign operations	-	(30)
Closing balance of cash and cash equivalents	3,882	5,526
Cash and cash equivalents comprise of		
Cash, cheques and drafts (on hand)	5	15
Balances with banks on current accounts	3,868	5,501
Balances with banks on deposits accounts	9	10

* As at 31 March 2020, proceeds from sale of investment in subsidiary for a total consideration of Rs. 30,335 lakhs. Net cash inflow of Rs. 19,638 lakhs is after adjusting Rs. 9,820 lakhs of cash and cash equivalent balances in the book of subsidiary and Rs. 877 lakhs expenditure incurred on the sale transaction.

^ANet cash flow attributable to the operating, investing and financing activities of discontinued operations is presented below:

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
	Audited	Audited
Operating activities	-	4,490
Investing activities	-	(198)
Financing activities	-	(222)

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