

8<sup>th</sup> November 2022

To

<b>The General Manager</b> Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	<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: Board Meeting - Standalone and Consolidated Unaudited Financial Results for the quarter ended 30<sup>th</sup> September, 2022**

**Symbol: NSE : HCL-INSYS**  
**BSE (For Physical Form): 179**  
**BSE (For Demat Form): 500179**

Dear Sirs,

This is further to our letter dated 1<sup>st</sup> November, 2022 on the above subject.

1. The Board of Directors has approved Unaudited Financial Results of the Company on standalone and consolidated basis for the quarter ended 30<sup>th</sup> September, 2022, duly reviewed and recommended by the Accounts and Audit Committee at the meeting held today i.e., 8<sup>th</sup> November, 2022. (As enclosed)
2. Limited Review Report on the aforesaid un-audited standalone and consolidated financial results. Further, we wish to state that the said Reports are with unmodified opinion. (As enclosed)

The meeting of the Board of Directors commenced at 12:30 P.M. and concluded at 3:20 P.M.

We are arranging to publish the results in the newspapers.

Please acknowledge receipt.

Very Truly Yours,

**For HCL Infosystems Limited**

**Komal Bathla**  
**Company Secretary & Compliance Officer**

Encl: As above.

**HCL INFOSYSTEMS LIMITED**  
**Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2022**  
 Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.  
 Corp.Off. A-11, First Floor, Sector -3 Noida, UP 201301.  
 CIN - L72200DL1986PLC023955  
 Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791  
 Website www.hclinfosystems.in  
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**Standalone Statement of Profit and Loss for the quarter and six months ended September 30, 2022**

(Rs. In Lakhs)

Particulars	Standalone					
	Three months ended			Year to date		Year end
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited	Unaudited Refer Note 6	Audited Refer Note 6
<b>1 Income</b>						
Revenue from operations	154	166	76	320	384	919
Other income	433	354	894	787	1,677	2,952
<b>Total Income</b>	<b>587</b>	<b>520</b>	<b>970</b>	<b>1,107</b>	<b>2,061</b>	<b>3,871</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	-	-	-	-	0	2
(b) Purchase of stock-in-trade	102	144	20	246	461	723
(c) Changes in inventories of finished goods and stock-in-trade	-	-	237	-	53	51
(d) Employee benefits expense	236	227	160	463	347	668
(e) Finance costs	10	120	276	130	807	1,264
(f) Depreciation and amortization expense	14	14	48	28	97	135
(g) Legal, professional and consultancy charges	276	229	391	505	715	1,428
(h) Other expenses	581	520	1,058	1,101	2,143	4,361
<b>Total expenses</b>	<b>1,219</b>	<b>1,254</b>	<b>2,190</b>	<b>2,473</b>	<b>4,623</b>	<b>8,632</b>
<b>3 Loss before exceptional items and tax (1 - 2)</b>	<b>(632)</b>	<b>(734)</b>	<b>(1,220)</b>	<b>(1,366)</b>	<b>(2,562)</b>	<b>(4,761)</b>
4 Exceptional Items Gain/(loss) (Refer note 2)	(392)	(249)	1,511	(641)	7,809	7,314
<b>5 Profit/ (Loss) before tax (3 + 4)</b>	<b>(1,024)</b>	<b>(983)</b>	<b>291</b>	<b>(2,007)</b>	<b>5,247</b>	<b>2,553</b>
6 Tax expense						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax expense	-	-	-	-	-	-
<b>7 Net Profit/(Loss) for the period (5 - 6)</b>	<b>(1,024)</b>	<b>(983)</b>	<b>291</b>	<b>(2,007)</b>	<b>5,247</b>	<b>2,553</b>
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(25)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
B (i) Items that will be reclassified to profit and loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other comprehensive income net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25)</b>
<b>9 Total comprehensive income for the period (7 + 8)</b>	<b>(1,024)</b>	<b>(983)</b>	<b>291</b>	<b>(2,007)</b>	<b>5,247</b>	<b>2,528</b>
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584
11 Reserve as per balance sheet of previous accounting year						(28,264)
12 Earnings per share (of Rs 2/- each) (not annualised):						
(a) Basic	(0.31)	(0.30)	0.09	(0.61)	1.59	0.78
(b) Diluted	(0.31)	(0.30)	0.09	(0.61)	1.59	0.78

**Standalone Balance Sheet**

(Rs. In Lakhs)

Particulars	Standalone	
	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited) Refer Note 6
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	388	414
Capital work-in-progress	27	9
Other intangible assets	1	4
Financial assets		
i. Investments	4	4
ii. Other financial assets	1,695	2,285
Advance income tax (net)	2,918	2,791
Other non-current assets	13,322	13,319
<b>Total non-current assets</b>	<b>18,355</b>	<b>18,826</b>
<b>Current assets</b>		
Inventories	2	2
Financial assets		
i. Investments	1,310	7,896
ii. Trade receivables	104	112
iii. Cash and cash equivalents	1,259	1,079
iv. Bank balances other than (iii) above	1,905	1,843
v. Loans	1	-
vi. Others financial assets	155	369
Other current assets	629	2,264
Asset Held for Sale	313	690
<b>Total current assets</b>	<b>5,678</b>	<b>14,255</b>
<b>Total assets</b>	<b>24,033</b>	<b>33,081</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	(30,271)	(28,264)
<b>Total equity</b>	<b>(23,687)</b>	<b>(21,680)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	-	1,383
Provisions	81	78
<b>Total non-current liabilities</b>	<b>81</b>	<b>1,461</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	35,500	40,020
ii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	233	264
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,321	4,822
iii. Other financial liabilities	873	716
Other current liabilities	963	826
Provisions	7,749	6,652
<b>Total current liabilities</b>	<b>47,639</b>	<b>53,300</b>
<b>Total liabilities</b>	<b>47,720</b>	<b>54,761</b>
<b>Total equity and liabilities</b>	<b>24,033</b>	<b>33,081</b>

Notes

1. These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 8, 2022. The statutory auditors have issued unmodified review report on these results.

2. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited		Audited Refer Note 6
a. Profit on sale of property, plant and equipments(Refer note no 9)	(0)	487	3,385	487	9,588	10,484
b. Reversal against loan given to subsidiary	-	-	1,969	-	2,064	2,222
c. Provision for loss in subsidiary#	(392)	(736)	(3,843)	(1,128)	(3,843)	(5,059)
d. Impairment of property	-	-	-	-	-	(333)
<b>Total Profit / (loss) - (a+b+c+d)</b>	<b>(392)</b>	<b>(249)</b>	<b>1,511</b>	<b>(641)</b>	<b>7,809</b>	<b>7,314</b>

# The Company has made provision of Rs 392 Lakhs for the quarter ended September 30, 2022 and Rs 736 Lakhs for the quarter ended June 30, 2022, Rs 3,843 Lakhs for the quarter & period ended September, 30 2021, Rs 1,128 Lakhs for the period ended September, 30 2022 and Rs 5,059 Lakhs for the year ended March 31, 2022, on account of accumulated losses and erosion of net worth of HCL Infotech Limited, a wholly owned subsidiary.

3. As at September 30, 2022, the Company has accumulated losses and its net worth has been fully eroded, and the Company's current liabilities exceeded its current assets by Rs. 41,961 Lakhs (March 31, 2022 - Rs. 39,045 Lakhs) as at September 30, 2022. 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 management of the Company, is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 4), sale of certain non-core properties (refer note 9) 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 to banks of Rs 33,000 Lakhs and interest free unsecured loans of Rs 35,500 Lakhs to the Company out of total authorized limit of Rs.1,50,000 Lakhs. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the Company's management and the Board of Directors have a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, these financial results have been prepared on a going concern basis.

4. Based on the report of the consulting firm appointed by the Board of Directors and the inputs of the management team, the Board in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the then financial position of the company, the Distribution businesses of the company were not financially sustainable. Consequently, as per the Board of Directors recommendation in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down.

5. As per Ind AS 108 'Operating Segments', the Company has disclosed the segment information only as part of the consolidated financial results.

6. The Hon'ble National Company Law Tribunal (NCLT) of New Delhi has approved the Scheme of Arrangement providing for the merger of two direct wholly-owned subsidiaries viz. Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning) (the "Transferor companies") with and into HCL Infosystems Limited (the "Transferee company") with effect from April 01, 2022, the appointed date. Hon'ble NCLT, vide its order dated August 10, 2022 read with corrigendum dated September 12, 2022 has sanctioned the Scheme.

Since the Transferor Companies are the wholly-owned subsidiaries of the Transferee Company, there will be no consideration. The difference between the amounts recorded as investments of the Company (Transferee Company) and the amount of share capital of the aforesaid amalgamating subsidiaries (Transferor Companies) has been adjusted in the Common Control Transaction Capital Reserve in accordance with the guidance under Appendix C of IND AS 103 "Business Combinations". Accordingly, the comparative financial results have been restated to give effect of the Scheme.

The impact of the scheme is not material on the standalone financial results of the company.

7. Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties, the company has credited its Statement of Profit and Loss with Rs 318 Lakhs for the quarter ended September 30, 2022, Rs 219 Lakhs for the quarter ended June 30, 2022, Rs 698 Lakhs for the quarter ended September 30, 2021, Rs 535 Lakhs for the period ended September 30, 2022, Rs 706 Lakhs for the period ended September 30, 2021 and Rs 1,228 Lakhs for the year ended March 31, 2022, on account of written back of certain old payables and provisions.

8. The company is facing delays in receipts from the customers, primarily in the System Integration Business, due to which the company has charged its Statement of Profit & Loss with Rs Nil for the quarter & period ended September 30, 2022, Rs Nil for the quarter ended June 30, 2022 and Rs 561 Lakhs for the quarter & period ended September, 30 2021 and 1,556 Lakhs for the year ended March 31, 2022 on account of provision for certain receivable balances.

9. In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company, therefore as a part of ongoing property monetisation plan, during the period ended, September 30, 2022, the Company has disposed three properties situated in Maharashtra, Pondicherry and West Bengal, having net carrying amount of Rs.377 Lakhs, for a consideration of Rs. 864 Lakhs, resulting an overall gain of Rs. 487 Lakhs.(Rs Nil for the quarter ended September 30, 2022, Rs 487 Lakhs for the quarter ended June 30, 2022, Rs 3,385 Lakhs for the quarter ended September 30, 2021, Rs 9,588 Lakhs for the period ended September 30, 2021 and Rs 10,151 Lakhs net off impairment loss of Rs 333 Lakhs for the year ended March 31, 2022).

10. 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 key customer of the company's defence project, which is forming part of the transaction has asked the company to novate the project to either HCL Infosystems Limited or a third party service provider acceptable to the customer, instead of transferring the said project as part of HCL Infotech Limited sale. The company is currently in discussion with the customer and some of the prospective third party service providers. This exercise has resulted in a significant delay in closing the transaction sale of HCL Infotech to Novezo. Currently in addition, some of the terms of the Share Purchase Agreement are being renegotiated with Novezo and there are several unresolved issues. The revised SPA which, if resolved, will be subject to approval of the Board and the Shareholders of the Company.

11. A statement of cash flow is attached in Annexure A

By order of the Board  
for HCL Infosystems Limited

Nikhil Sinha  
Chairperson  
Date : November 08, 2022

## Standalone Cash Flow Statement for six months ended September 30, 2022

(Rs. In Lakhs)

Particulars	Year to date		Year ended
	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited Refer Note 6	Audited Refer Note 6
<b>Cash flow from Operating Activities:</b>			
<b>Profit/(Loss) before tax</b>	(2,007)	5,247	2,553
<b>Adjustments for:</b>			
Depreciation and amortisation expense	28	97	135
Finance cost	130	807	1,264
Interest income	(79)	(71)	(206)
Interest on income tax refund	-	(87)	(1,027)
Net gains (losses) on fair value changes on investments	88	-	(97)
Net profit on sale of properties	(488)	(9,601)	(10,494)
Property, plant and equipment written-off	-	-	6
Gain on sale of investment carried at FVTPL	(163)	-	(37)
Impairment of property	-	-	333
(Reversal) / Provision against inter company deposits given to subsidiaries	-	(2,064)	(2,222)
Provision for Loss in subsidiary	1,128	3,843	5,059
Gain on foreign exchange fluctuation	(18)	(5)	(63)
Provision for doubtful debts	172	482	224
Provision for change in fair value of OCD	-	561	1,556
Provisions for Input tax credit	275	-	889
Provisions for doubtful other current assets	-	647	277
Provisions/liabilities no longer required written back	(578)	(706)	(1,228)
<b>Operating loss before working capital changes</b>	(1,512)	(850)	(3,078)
<b>Changes in operating assets and liabilities</b>			
- Decrease / (Increase) in trade receivables	(163)	(3,046)	1,128
- Decrease in non-current assets	(3)	1,290	3,565
- Decrease in current assets	2,839	577	(70)
- Decrease in inventories	-	53	54
- Increase / (decrease) in non current liabilities	3	14	(6)
- Increase / (decrease) in current liabilities	(3,308)	5,120	1,587
<b>Cash flow from / (used in) operations</b>	<b>(2,144)</b>	<b>3,158</b>	<b>3,180</b>
- Taxes (paid) / received	(127)	269	942
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(2,271)</b>	<b>3,427</b>	<b>4,122</b>
<b>Cash flow from investing activities:</b>			
Purchase of properties plant and equipments and intangible assets	(23)	(3)	(26)
Capital work-in-progress (including intangible assets under development)	(18)	-	9
Proceeds from sale of properties	1,385	12,155	13,966
Net Proceeds from sale/purchase of investments	6,498	-	(7,800)
Interest received	79	71	206
Redemption/maturity of bank deposits (net)	527	(5,041)	(1,464)
Movement in margin money account (net)	-	(19)	-
Gain on sale of investment carried at FVTPL	163	-	37
Inter corporate deposits given	(1)	(5,028)	-
Inter corporate deposits received back	-	7,161	2,295
Receipt of business consideration	-	1,580	1,579
<b>Net cash flow from investing activities (B)</b>	<b>8,610</b>	<b>10,876</b>	<b>8,802</b>
<b>Cash Flow from Financing Activities:</b>			
Proceeds from loans and borrowings	-	-	36
Repayment of loans and borrowings	(5,903)	(9,300)	(12,418)
Interest paid	(222)	(911)	(1,412)
<b>Net cash flow used in financing activities (C)</b>	<b>(6,125)</b>	<b>(10,211)</b>	<b>(13,794)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>214</b>	<b>4,092</b>	<b>(870)</b>
Opening balance of cash and cash equivalents	1,079	1,951	1,951
Exchange difference on translation of foreign currency cash and cash equivalent	(34)	(5)	(2)
<b>Closing balance of cash and cash equivalents</b>	<b>1,259</b>	<b>6,038</b>	<b>1,079</b>
<b>Cash and cash equivalents comprise of</b>			
Cash, cheques and drafts (on hand)	-	-	-
Balances with banks on current accounts	1,259	5,455	1,079
Balances with banks on deposits accounts	-	583	-

# B S R & Associates LLP

Chartered Accountants

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Gurugram – 122 002, India

Telephone: +91 124 719 1000  
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## **Limited Review Report on unaudited standalone financial results of HCL Infosystems Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of HCL Infosystems Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of HCL Infosystems Limited (“the Company”) for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 3 of the statement, which states that the company has accumulated losses as at 30 September 2022. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 30 September 2022. These conditions, along with other matters set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern i.e., whether the Company will be able to realize its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 3, including necessary financial support from a significant promoter shareholder, the

Registered Office:

## B S R & Associates LLP

management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the statement on a going concern basis.

Our conclusion 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*

New Delhi

08 November 2022

Membership No.: 098652

UDIN:22098652BCMPQA7324

**HCL INFOSYSTEMS LIMITED**  
**Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2022**  
 Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.  
 Corp.Off. A-11, First Floor, Sector -3 Noida, UP 201301.  
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 Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791  
 Website www.hclinfosystems.in  
 Email ID: cosec@hcl.com

**Consolidated Statement of Profit and Loss for the quarter and six months ended September 30, 2022 (Rs. In Lakhs)**

Particulars	Consolidated					
	Three months ended			Year to date		Year end
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited		Audited
<b>1 Income</b>						
Revenue from operations	693	912	1,554	1,605	4,315	6,944
Other income	675	483	1,891	1,158	2,709	4,154
<b>Total Income</b>	<b>1,368</b>	<b>1,395</b>	<b>3,445</b>	<b>2,763</b>	<b>7,024</b>	<b>11,098</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	-	-	-	-	-	2
(b) Purchase of stock-in-trade	111	146	68	257	522	817
(c) Changes in inventories of finished goods and stock-in-trade	3	2	245	5	65	232
(d) Other direct expense	175	289	1,497	464	2,874	3,517
(e) Employee benefits expense	527	548	624	1,075	1,525	2,667
(f) Finance costs	32	140	313	172	876	1,370
(g) Depreciation and amortisation expense	14	15	54	29	109	147
(h) Legal, professional and consultancy charges	678	622	879	1,300	1,568	3,241
(i) Other expenses	837	1,118	1,843	1,955	3,708	6,892
<b>Total expenses</b>	<b>2,377</b>	<b>2,890</b>	<b>5,523</b>	<b>5,257</b>	<b>11,247</b>	<b>18,675</b>
<b>3 Loss before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(1,009)</b>	<b>(1,485)</b>	<b>(2,078)</b>	<b>(2,494)</b>	<b>(4,223)</b>	<b>(7,577)</b>
4 Exceptional Items gain (Refer note 3)	-	487	3,385	487	9,588	10,151
<b>5 Profit/(Loss) before tax from continuing operations (3 + 4)</b>	<b>(1,009)</b>	<b>(998)</b>	<b>1,307</b>	<b>(2,007)</b>	<b>5,365</b>	<b>2,574</b>
6 Tax expense / (credit)	-	-	-	-	-	122
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax expense	-	-	-	-	-	-
<b>7 Profit/(Loss) for the period from continuing operations (5 - 6)</b>	<b>(1,009)</b>	<b>(998)</b>	<b>1,307</b>	<b>(2,007)</b>	<b>5,365</b>	<b>2,452</b>
8 Profit / (loss) before tax from discontinued operations	-	-	-	-	-	-
9 Profit / (loss) on disposal of discontinued operations	-	-	-	-	-	-
10 Tax expense / (credit) of discontinued operations	-	-	-	-	-	-
<b>11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Net Profit / (Loss) for the period (7+ 11)</b>	<b>(1,009)</b>	<b>(998)</b>	<b>1,307</b>	<b>(2,007)</b>	<b>5,365</b>	<b>2,452</b>
13 Other comprehensive income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(41)
(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	(6)	1	35	(5)	56	86
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other comprehensive income, net off income tax</b>	<b>(6)</b>	<b>1</b>	<b>35</b>	<b>(5)</b>	<b>56</b>	<b>45</b>
<b>14 Total comprehensive income for the period (12 + 13)</b>	<b>(1,015)</b>	<b>(997)</b>	<b>1,342</b>	<b>(2,012)</b>	<b>5,421</b>	<b>2,497</b>
15 Net Profit/(Loss) attributable to:						
- Shareholders	(1,009)	(998)	1,307	(2,007)	5,365	2,452
- Non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to:						
- Shareholders	(1,015)	(997)	1,342	(2,012)	5,421	2,497
- Non-controlling interests	(0)	(0)	-	(0)	(0)	(0)
16 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584
17 Reserve as per balance sheet of previous accounting year	-	-	-	-	-	(28,095)
18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(0.31)	(0.30)	0.40	(0.61)	1.63	0.74
(b) Diluted	(0.31)	(0.30)	0.40	(0.61)	1.63	0.74
19 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):						
(a) Basic	-	-	-	-	-	-
(b) Diluted	-	-	-	-	-	-
20 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(0.31)	(0.30)	0.40	(0.61)	1.63	0.74
(b) Diluted	(0.31)	(0.30)	0.40	(0.61)	1.63	0.74

**Consolidated Balance Sheet (Rs. In Lakhs)**

Particulars	Consolidated	
	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	390	416
Capital work-in-progress	27	9
Other intangible assets	1	4
Financial assets		
i. Other financial assets	6,863	2,442
Advance income tax asset (net)	4,416	4,249
Other non-current assets	13,960	14,077
<b>Total non-current assets</b>	<b>25,657</b>	<b>21,197</b>
<b>Current assets</b>		
Inventories	46	51
Financial assets		
i. Investments	7,167	9,700
ii. Trade receivables	2,914	2,765
iii. Cash and cash equivalents	2,000	2,188
iv. Bank balances other than (iii) above	4,439	4,464
v. Other financial assets	299	521
Other current assets	4,980	7,549
Assets held for sale	313	690
<b>Total Current Assets</b>	<b>22,158</b>	<b>27,928</b>
<b>Total assets</b>	<b>47,815</b>	<b>49,125</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	(30,107)	(28,095)
Non-controlling interests	(0)	(0)
<b>Total equity</b>	<b>(23,523)</b>	<b>(21,511)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	-	1,383
Provisions	196	155
<b>Total non-current liabilities</b>	<b>196</b>	<b>1,538</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	35,501	40,021
ii. Trade payables	6,561	7,456
iii. Other financial liabilities	1,193	1,149
Other current liabilities	23,419	15,348
Provisions	4,465	4,804
Current tax liabilities (net)	3	320
<b>Total current liabilities</b>	<b>71,142</b>	<b>69,098</b>
<b>Total liabilities</b>	<b>71,338</b>	<b>70,636</b>
<b>Total equity and liabilities</b>	<b>47,815</b>	<b>49,125</b>

Segment-wise information

Particulars	Three months ended			Year to date		Year end
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited		Audited
<b>1. Segment Revenue</b>						
- Hardware Products and Solutions	554	759	1,489	1,313	3,950	6,096
- Distribution	139	153	65	292	365	848
- Learning	-	-	-	-	-	-
Total	693	912	1,554	1,605	4,315	6,944
Less : Intersegment revenue	-	-	-	-	-	-
<b>Revenue from operations</b>	<b>693</b>	<b>912</b>	<b>1,554</b>	<b>1,605</b>	<b>4,315</b>	<b>6,944</b>
<b>2. Segment results (profit / (loss) before tax and interest from each segment)</b>						
- Hardware Products and Solutions	(445)	(681)	(1,117)	(1,126)	(1,968)	(3,048)
- Distribution	35	106	149	141	37	245
- Learning	8	(3)	(17)	5	(18)	51
Total	(402)	(578)	(985)	(980)	(1,949)	(2,752)
Less :						
i) Interest expense	32	140	313	172	876	1,370
ii) Other un-allocable expenditure net of un-allocable (income)	575	280	(2,605)	855	(8,190)	(6,696)
<b>Total Profit / (Loss) before tax</b>	<b>(1,009)</b>	<b>(998)</b>	<b>1,307</b>	<b>(2,007)</b>	<b>5,365</b>	<b>2,574</b>
<b>3. Segment Assets</b>						
- Hardware Products and Solutions	20,968	16,888	20,067	20,968	20,067	17,026
- Distribution	10,708	9,878	12,465	10,708	12,465	10,078
- Learning	70	80	86	70	86	79
- Unallocated	16,069	14,893	27,307	16,069	27,307	21,942
<b>Total Assets</b>	<b>47,815</b>	<b>41,739</b>	<b>59,925</b>	<b>47,815</b>	<b>59,925</b>	<b>49,125</b>
<b>4. Segment Liabilities</b>						
- Hardware Products and Solutions	30,997	22,373	25,200	30,997	25,200	22,547
- Distribution	3,747	2,249	3,146	3,747	3,146	2,416
- Learning	45	65	134	45	134	59
- Unallocated	36,549	39,557	50,031	36,549	50,031	45,614
<b>Total Liabilities</b>	<b>71,338</b>	<b>64,244</b>	<b>78,511</b>	<b>71,338</b>	<b>78,511</b>	<b>70,636</b>

Notes

1. These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 8, 2022. The statutory auditors have issued unmodified review report on these results.

2. As at September 30, 2022, the Group has accumulated losses and its net worth has been fully eroded, the Group's current liabilities exceeded its current assets by Rs 48,984 Lakhs as at September 30, 2022 (March 31, 2022 - Rs. 41,170 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 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 6), sale of certain non-core properties (refer note 4) 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 to banks of Rs 33,000 Lakhs and interest free unsecured loans of Rs 35,500 Lakhs to the Parent Company out of total authorized limit of Rs. 1,50,000 Lakhs. This has 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.

3. Exceptional items include :

Particulars	Three months ended			Year to date		Year end
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited		Audited
Gain on sale of property, plant and equipments	(0)	487	3,385	487	9,588	10,484
Impairment of property	-	-	-	-	-	(333)
<b>Total gain (Refer Note No. 4)</b>	<b>(0)</b>	<b>487</b>	<b>3,385</b>	<b>487</b>	<b>9,588</b>	<b>10,151</b>

4. In order to reduce Company's debt obligations, the Company has decided to monetize Company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company, therefore as a part of ongoing property monetisation plan, during the period ended, September 30, 2022, the Company has disposed three properties situated in Maharashtra, Pondicherry and West Bengal, having net carrying amount of Rs.377 Lakhs, for a consideration of Rs. 864 Lakhs, resulting an overall gain of Rs. 487 Lakhs. (Rs Nil for the quarter ended September 30, 2022, Rs 487 Lakhs for the quarter ended June 30, 2022, Rs 3,385 Lakhs for the quarter ended September 30, 2021, Rs 9,588 Lakhs for the period ended September 30, 2021 and Rs 10,151 Lakhs net off impairment loss of Rs 333 Lakhs for the year ended March 31, 2022).

5. The Hon'ble National Company Law Tribunal (NCLT) of New Delhi has approved the Scheme of Arrangement providing for the merger of two direct wholly-owned subsidiaries viz. Diglife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning) (the "Transferor companies") with and into HCL Infosystems Limited (the "Transferee company") with effect from April 01, 2022, the appointed date. Hon'ble NCLT, vide its order dated August 10, 2022 read with corrigendum dated September 12, 2022 has sanctioned the Scheme.

6. Based on the report of the consulting firm appointed by the Board of Directors and the inputs of the management team, the Board in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the then financial position of the Group, the Distribution businesses of the Group were not financially sustainable. Consequently, as per the Board of Directors recommendation in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down.

7. Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties, the Group has credited its Statement of Profit and Loss with Rs 411 Lakhs for the quarter ended September 30, 2022, Rs 248 Lakhs for the quarter ended June 30, 2022, Rs 1,312 Lakhs for the quarter ended September 30, 2021, Rs 659 Lakhs for the period ended September 30, 2022, Rs 1,321 Lakhs for the period ended September 30, 2021 and Rs 1,906 Lakhs for the year ended March 31, 2022, on account of written back of certain old payables and provisions.

8. The Group is facing delays in receipts from the customers, primarily in the System Integration Business, due to which the Group has charged its Statement of Profit and Loss with Rs 106 Lakhs for the quarter ended September 30, 2022, Rs 148 Lakhs for the quarter ended June 30, 2022, Rs 561 Lakhs for the quarter ended September 30, 2021, Rs 254 Lakhs for the period ended September 30, 2022 and Rs 956 Lakhs for the period ended September 30, 2021 (Rs 2,141 Lakhs for the year ended March 31, 2022 with reversal of corresponding credit of Rs. 766 lakhs) on account of provision for certain receivable balances.

9. 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. 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. As per the consent terms executed between UIDAI and the Company, the 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. Pending determination of the current market value through arbitration, revenue is measured by the Company at existing contract price for the period May 2020 to August 2021. The differential revenue on the basis of current market value 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 in the last year with the vendors.

10. Consolidated Results include financial results of HCL Infosystems Limited, HCL Infotech Limited, HCL Investment Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE.

11. A statement of cash flow is attached in Annexure A

for HCL Infosystems Limited  
Nikhil Sinha  
Chairperson

Place : Noida  
Date : November 08, 2022



## Consolidated Cash Flow Statement for six months ended September 30, 2022

(Rs. In Lakhs)

Particulars	Year to date		Year ended
	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Audited
<b>Cash Flow from Operating Activities:</b>			
<b>Profit/(Loss) before tax from continuing and discontinued operations</b>	(2,007)	5,365	2,574
<b>Adjustments for:</b>			
Depreciation and amortisation expense	29	109	147
Finance cost	172	876	1,370
Interest income on FD & others	(124)	(209)	(191)
Interest on income tax refund	-	-	(1,276)
Net gains on fair value changes on investments	49	-	(100)
Net profit on sale of property, plant and equipment	(488)	(9,608)	(10,502)
Impairment of property	-	-	333
Property, plant and equipment written-off	-	-	6
Profit on disposal of unquoted investments	(219)	-	(37)
Gain on foreign exchange fluctuation	(124)	(23)	(76)
Provision for change in fair value of OCD	-	561	1,556
Provision for doubtful debts	425	848	585
Provision for doubtful loans and advances and other current assets	-	509	966
Provisions/liabilities no longer required written back	(702)	(1,321)	(1,906)
Provisions for Input tax credit	589	645	898
<b>Operating loss before working capital changes</b>	<b>(2,400)</b>	<b>(2,248)</b>	<b>(5,653)</b>
<b>Changes in operating assets and liabilities</b>			
- (Increase) / Decrease in trade receivables	(574)	1,029	5,334
- (Increase) / Decrease in non-current assets	(4,884)	1,366	3,657
- Decrease in current assets	2,198	531	4,833
- Decrease in inventories	5	65	233
- Increase / (Decrease) in non current liabilities	40	(28)	(57)
- Increase / (Decrease) in current liabilities	7,265	365	(3,944)
<b>Cash flow from operations</b>	<b>1,650</b>	<b>1,080</b>	<b>4,403</b>
- Taxes (paid) / received	(484)	3,918	5,668
<b>Net cash flow from operating activities (A)</b>	<b>1,166</b>	<b>4,998</b>	<b>10,071</b>
<b>Cash flow from investing activities:</b>			
Payment for property, plant and equipment (including intangible assets)	(39)	(3)	(20)
Proceeds from sale of properties	1,386	12,164	13,992
Receipt of business consideration on sale of investment in subsidiaries	-	1,580	1,580
Net Proceeds from sale/purchase of investments	2,699	-	(9,563)
Redemption/(Investments) in bank deposits	137	(5,642)	(4,092)
Movement in margin money account	468	(28)	(10)
Interest received	124	75	191
<b>Net cash flow from investing activities (B)</b>	<b>4,775</b>	<b>8,146</b>	<b>2,078</b>
<b>Cash Flow from Financing Activities:</b>			
Lease obligation paid	-	(11)	(28)
Repayment of loans and borrowings	(5,902)	(9,298)	(12,322)
Interest paid	(264)	(979)	(1,513)
<b>Net cash used in financing activities (C)</b>	<b>(6,166)</b>	<b>(10,288)</b>	<b>(13,863)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(225)</b>	<b>2,856</b>	<b>(1,714)</b>
Opening balance of cash and cash equivalents	2,189	3,882	3,882
Exchange difference on translation of foreign currency cash and cash equivalent	23	2	20
Effect of exchange differences on translation of foreign operations	13	-	1
<b>Closing balance of cash and cash equivalents</b>	<b>2,000</b>	<b>6,740</b>	<b>2,189</b>
<b>Cash and cash equivalents comprise of</b>			
Cash, cheques and drafts (on hand)	6	6	6
Balances with banks on current accounts	1,983	6,139	2,173
Balances with banks on deposits accounts	11	595	10

# B S R & Associates LLP

Chartered Accountants

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## Limited Review Report on unaudited consolidated financial results of HCL Infosystems Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### To the Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of HCL Infosystems Limited (“the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the:

Parent Entity

a) HCL Infosystems Limited

Subsidiaries

a) HCL Infotech Limited

b) HCL Investment Pte. Limited

c) Pimpri Chinchwad eservices Limited

d) Nurture Technologies FZE

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

## B S R & Associates LLP

6. We draw attention to note 2 of the consolidated financial results, which states that the Group has accumulated losses as at 30 September 2022. Further its net worth is fully eroded and that the Group's current liabilities exceed its current assets as at 30 September 2022. These conditions, along with other matters set forth in note 6, 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. However, based upon the measures as set forth in the note 2, including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Parent have a reasonable expectation that the Group will be able to operate as a going concern in the near future. Accordingly, management has prepared the consolidated financial results on a going concern basis.

Our conclusion is not modified in respect of this matter.

8. We draw attention to note 9 of the consolidated financial results for the quarter ended 30 September 2022, which states that Hon'ble Arbitral Tribunal has on 19 June 2020 passed a liability award in the arbitration proceedings filed by HCL Infosystems Limited in respect of the Managed Service Provider ("MSP") contract against one of the major customers. As stated in the said note, the said liability award provides, inter alia, that HCL Infosystems Limited is entitled to receive the consideration for its services during the period covered by the consent terms (order dated 07 May 2020), i.e. from May 2020 to August 2021, at the current market value which will be decided through arbitration in due course. As further stated in the said note, pending this determination, no revenue recognized for the difference in the expected current market value and the existing contract price for the services provided to the customer from May 2020 to August 2021.

Our conclusion is not modified in respect of this matter.

9. The Statement includes the interim financial results of 3 Subsidiaries which have not been reviewed, whose interim financial results reflects total assets (before consolidation adjustments) of Rs. 4,620 lakhs as at 30 September 2022 and total revenues (before consolidation adjustments) of Rs. Nil and Rs. Nil, total net profit (before consolidation adjustments) after tax of Rs. 12 lakh and Rs. 1 lakh and total comprehensive loss of Rs. 6 lakh and Rs 5 lakh, for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash flows (net) of Rs 314 lakh for the period from 1 April 2022 to 30 September 2022 as considered in the Statement. According to the information and explanations given to us by the Parent's management, these/this interim financial statements /financial information/ financial results are/is not material to the Group.

Our conclusion 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*

New Delhi

08 November 2022

Membership No.: 098652

UDIN:22098652BCM QBW5536