

**Standalone Statement of Profit and Loss for the quarter and nine months ended December 31, 2022** (Rs. In Lakhs)

Particulars	Standalone					
	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	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	153	154	236	473	621	919
Other income	220	433	194	1,007	1,872	2,952
<b>Total Income</b>	<b>373</b>	<b>587</b>	<b>430</b>	<b>1,480</b>	<b>2,493</b>	<b>3,871</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	-	-	-	-	0	2
(b) Purchase of stock-in-trade/services	113	102	(98)	359	363	723
(c) Changes in inventories of stock-in-trade	(1)	-	-	(1)	53	51
(d) Employee benefits expense	209	236	185	672	532	668
(e) Finance costs	14	10	242	144	1,050	1,264
(f) Depreciation and amortization expense	16	14	19	44	117	135
(g) Legal, professional and consultancy charges	227	276	389	732	1,105	1,428
(h) Other expenses	462	581	546	1,563	2,689	4,361
<b>Total expenses</b>	<b>1,040</b>	<b>1,219</b>	<b>1,283</b>	<b>3,513</b>	<b>5,909</b>	<b>8,632</b>
<b>3 Loss before exceptional items and tax (1 - 2)</b>	<b>(667)</b>	<b>(632)</b>	<b>(853)</b>	<b>(2,033)</b>	<b>(3,416)</b>	<b>(4,761)</b>
4 Exceptional Items Profit/(Loss) (refer note 2)	(605)	(392)	134	(1,246)	8,010	7,314
<b>5 Profit / (loss) before tax (3 - 4)</b>	<b>(1,272)</b>	<b>(1,024)</b>	<b>(719)</b>	<b>(3,279)</b>	<b>4,594</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>(1,272)</b>	<b>(1,024)</b>	<b>(719)</b>	<b>(3,279)</b>	<b>4,594</b>	<b>2,553</b>
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit or 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 or 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>(1,272)</b>	<b>(1,024)</b>	<b>(719)</b>	<b>(3,279)</b>	<b>4,594</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	(0.39)	(0.31)	(0.22)	(1.00)	1.40	0.78
(b) Diluted	(0.39)	(0.31)	(0.22)	(1.00)	1.40	0.78

**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 February 8, 2023. The statutory auditors have issued unmodified review report on these results.

2. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited	Unaudited Refer Note 6	Audited Refer Note 6
a. Reversal on sale of property, plant and equipments (Refer note no 9)	-	-	738	487	10,326	10,484
b. Reversal against loan given to subsidiary	-	-	91	-	2,222	2,222
c. Provision for loss in subsidiary#	(605)	(392)	(695)	(1,733)	(4,538)	(5,059)
d. Impairment of property	-	-	-	-	-	(333)
<b>Total Profit / (loss) - (a+b+c+d)</b>	<b>(605)</b>	<b>(392)</b>	<b>134</b>	<b>(1,246)</b>	<b>8,010</b>	<b>7,314</b>

# The Company has made provision of Rs 605 Lakhs for the quarter ended December 31, 2022 (net off common cost allocation for service cost of Management, IT, Facility and Support functions of Rs 527 Lakhs) and Rs 392 Lakhs for the quarter ended September 30, 2022, Rs 695 Lakhs for the quarter ended December 31, 2021, Rs 1,733 Lakhs for the period ended December 31, 2022 (net off common cost allocation for service cost of Management, IT, Facility and Support functions of Rs 527 Lakhs), Rs 4,538 Lakhs for the period ended December 31, 2021 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. There is no impact of aforementioned "Provision for loss in subsidiary" on the consolidated results.

3. As at December 31, 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. 43,405 Lakhs (March 31, 2022 - Rs. 39,045 Lakhs) as at December 31, 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 December 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 Nil for the quarter ended December 31, 2022 and Rs 318 Lakhs for the quarter ended September 30, 2022, Rs Nil for the quarter ended December 31, 2021, Rs 578 Lakhs for the period ended December 31, 2022, Rs 707 Lakhs for the period ended December 31, 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 ended December 31, 2022 and Rs Nil for the quarter ended September 30, 2022, Rs Nil for the quarter ended December 31, 2021, Rs Nil for the period ended December 31, 2022, Rs 561 Lakhs for the period ended December 31, 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, December 31, 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 December 31, 2022, Rs Nil for the quarter ended September 30, 2022, Rs 738 Lakhs for the quarter ended December 31, 2021, Rs 487 Lakhs for the period ended December 31, 2022, Rs 10,326 Lakhs for the period ended December 31, 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 Share Purchase Agreement which, if resolved, will be subject to approval of the Board and the Shareholders of the Company.

By order of the Board  
for HCL Infosystems Limited

Place : Noida  
Date : February 08, 2023

Nikhil Sinha  
Chairperson