

**HCL INFOSYSTEMS LIMITED**  
**Audited Consolidated Financial Results for the quarter and year ended March 31, 2024**  
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**Consolidated Statement of Profit and Loss of HCL Infosystems Limited as per Ind AS: (Rs. In Lakhs)**

Particulars	Consolidated				
	Three months ended			Year to date	
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
	Audited	Unaudited	Audited	Audited	
<b>1 Income</b>					
Revenue from operations	672	816	826	3,217	3,141
Other income	825	761	780	2,982	2,339
<b>Total Income</b>	<b>1,497</b>	<b>1,577</b>	<b>1,606</b>	<b>6,199</b>	<b>5,480</b>
<b>2 Expenses</b>					
(a) Direct expenses	195	207	692	1,303	1,855
(b) Changes in inventories of stock-in-trade	(2)	1	13	2	12
(c) Employee benefits expense	517	509	467	2,003	2,039
(d) Finance costs	3	7	9	37	193
(e) Depreciation and amortisation expense	12	14	13	54	58
(f) Legal, professional and consultancy charges	737	1,290	794	3,302	2,889
(g) Other expenses	582	479	1,075	2,276	3,692
<b>Total expenses</b>	<b>2,044</b>	<b>2,507</b>	<b>3,063</b>	<b>8,977</b>	<b>10,738</b>
<b>3 Loss before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(547)</b>	<b>(930)</b>	<b>(1,457)</b>	<b>(2,778)</b>	<b>(5,258)</b>
4 Exceptional Items gain (Refer note 3)	0	-	897	1,196	1,384
<b>5 Loss before tax from continuing operations (3 + 4)</b>	<b>(547)</b>	<b>(930)</b>	<b>(560)</b>	<b>(1,582)</b>	<b>(3,874)</b>
6 Tax expense / (credit)					
(a) Current tax	6	-	5	6	5
(b) Deferred tax expense	-	-	-	-	-
<b>7 Loss for the period from continuing operations (5 - 6)</b>	<b>(553)</b>	<b>(930)</b>	<b>(565)</b>	<b>(1,588)</b>	<b>(3,879)</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 loss for the period from discontinued operations (8 + 9 - 10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Net loss for the period (7+ 11)</b>	<b>(553)</b>	<b>(930)</b>	<b>(565)</b>	<b>(1,588)</b>	<b>(3,879)</b>
13 Other comprehensive income					
A (i) Items that will not be reclassified to profit and loss	(4)	-	(2)	(4)	(2)
(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	(10)	13	11	9	42
(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>(14)</b>	<b>13</b>	<b>9</b>	<b>5</b>	<b>40</b>
<b>14 Total comprehensive loss for the period (12 + 13)</b>	<b>(567)</b>	<b>(917)</b>	<b>(556)</b>	<b>(1,583)</b>	<b>(3,839)</b>
15 Net loss attributable to:					
- Shareholders	(553)	(930)	(565)	(1,588)	(3,879)
- Non-controlling interests	-	-	-	-	-
Total comprehensive loss attributable to:					
- Shareholders	(567)	(917)	(556)	(1,583)	(3,839)
- Non-controlling interests	-	-	-	-	-
16 Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584	6,584
17 Reserve as per balance sheet of previous accounting year	-	-	-	(33,934)	(31,934)
18 Earnings per share for continuing operations (of Rs. 2/- each) (not annualised):					
(a) Basic	(0.17)	(0.28)	(0.17)	(0.48)	(1.18)
(b) Diluted	(0.17)	(0.28)	(0.17)	(0.48)	(1.18)
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	(0.17)	(0.28)	(0.17)	(0.48)	(1.18)
(b) Diluted	(0.17)	(0.28)	(0.17)	(0.48)	(1.18)

**Consolidated Balance Sheet of HCL Infosystems Limited as per Ind AS: (Rs. In Lakhs)**

Particulars	Consolidated	
	As at 31.03.2024 (Audited)	As at 31.03.2023 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	225	253
Other intangible assets	26	34
Financial assets		
i. Other financial assets	6,293	1,797
Advance income tax asset (net)	5,171	6,054
Other non-current assets	13,320	13,721
<b>Total non-current assets</b>	<b>25,035</b>	<b>21,859</b>
<b>Current assets</b>		
Inventories	37	39
Financial assets		
i. Investments	2,643	4,425
ii. Trade receivables	1,849	2,540
iii. Cash and cash equivalents	1,407	1,975
iv. Bank balances other than (iii) above	11,788	16,098
v. Other financial assets	6	439
Other current assets	2,795	2,902
Assets held for sale	10	313
<b>Total Current Assets</b>	<b>20,535</b>	<b>28,731</b>
<b>Total assets</b>	<b>45,570</b>	<b>50,590</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	(33,516)	(31,934)
Non-controlling interests	(0)	(0)
<b>Total equity</b>	<b>(26,932)</b>	<b>(25,350)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	-	-
Provisions	219	168
<b>Total non-current liabilities</b>	<b>219</b>	<b>168</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	35,500	35,501
ii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	34	17
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,855	5,529
iii. Other financial liabilities	564	761
Other current liabilities	26,561	29,081
Provisions	3,769	4,883
Current tax liabilities (net)	-	-
<b>Total current liabilities</b>	<b>72,283</b>	<b>75,772</b>
<b>Total liabilities</b>	<b>72,502</b>	<b>75,940</b>
<b>Total equity and liabilities</b>	<b>45,570</b>	<b>50,590</b>

Segment-wise information of HCL Infosystems Limited as per Ind AS:

(Rs. In Lakhs)

Particulars	Three months ended			Year to date	
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
	Audited	Unaudited	Audited	Audited	
<b>1. Segment Revenue</b>					
- Hardware Products and Solutions	579	678	699	2,766	2,574
- Distribution	93	138	127	451	567
Total	672	816	826	3,217	3,141
Less : Intersegment revenue	-	-	-	-	-
<b>Revenue from operations</b>	<b>672</b>	<b>816</b>	<b>826</b>	<b>3,217</b>	<b>3,141</b>
<b>2. Segment results (Loss before tax and interest from each segment)</b>					
- Hardware Products and Solutions	(761)	(856)	(1,420)	(2,832)	(3,250)
- Distribution	138	(49)	54	96	180
- Learning	22	-	(7)	22	(7)
Total	(601)	(905)	(1,373)	(2,714)	(3,077)
Less :					
i) Interest expense	3	7	9	37	193
ii) Other un-allocable expenditure net of un-allocable (income)	(57)	18	(822)	(1,169)	604
<b>Total Loss before tax</b>	<b>(547)</b>	<b>(930)</b>	<b>(560)</b>	<b>(1,582)</b>	<b>(3,874)</b>
<b>3. Segment Assets</b>					
- Hardware Products and Solutions	23,470	25,148	24,895	23,470	24,895
- Distribution	10,484	10,569	10,546	10,484	10,546
- Learning	79	87	91	79	91
- Unallocated	11,537	11,676	15,058	11,537	15,058
<b>Total Assets</b>	<b>45,570</b>	<b>47,480</b>	<b>50,590</b>	<b>45,570</b>	<b>50,590</b>
<b>4. Segment Liabilities</b>					
- Hardware Products and Solutions	33,325	34,079	35,140	33,325	35,140
- Distribution	3,167	3,264	3,018	3,167	3,018
- Learning	45	75	78	45	78
- Unallocated	35,965	36,425	37,704	35,965	37,704
<b>Total Liabilities</b>	<b>72,502</b>	<b>73,843</b>	<b>75,940</b>	<b>72,502</b>	<b>75,940</b>

Notes

- Consolidated results include financial results of HCL Infosystems Limited (hereinafter referred to as "the Parent"), HCL Infotech Limited, HCL Investment Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE (hereinafter together referred to as "the Group"). These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 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 May 22, 2024. The statutory auditors have issued audit report on these results.

- For past several years, the Group has continuously made losses and its net worth has been fully eroded. Further the Group has incurred a net loss of ₹ 1,588 lakhs during the current year (March 31, 2023: net loss of ₹ 3,879 lakhs) and the Group's current liabilities exceeded its current assets by ₹ 51,748 lakhs (March 31, 2023 - ₹ 47,041 lakhs) as at March 31, 2024. The management of the Company has been pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 4e), 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 to banks of ₹ 33,035 lakhs and interest free unsecured loans of ₹ 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 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.

- Exceptional items include :

(Rs. In Lakhs)

Particulars	Three months ended			Year to date	
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
	Audited	Unaudited	Audited	Audited	
Gain on sale of property, plant and equipments (Refer Note No. 4)	-	-	897	1,196	1,384
<b>Total Gain</b>	<b>-</b>	<b>-</b>	<b>897</b>	<b>1,196</b>	<b>1,384</b>

- 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 were 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, March 31, 2024, the Company has disposed one property situated in Chennai, having net carrying amount of Rs. 304 Lakhs, for a consideration of Rs. 1,500 Lakhs, resulting an overall gain of Rs. 1,196 Lakhs (Nil for the quarter ended March 31, 2024, Nil for the quarter ended December 31, 2023, Rs. 897 Lakhs for the quarter ended March 31, 2023, Rs. 1,196 Lakhs for the year ended March 31, 2024 and Rs. 1,384 Lakhs for the year ended March 31, 2023).

The Company has transferred the leasehold rights of certain immovable properties to various parties between 2019-2022. The consideration received to transfer the same didn't include GST, considering these arrangements as transfer of immovable properties. Since the matter is under judicial consideration at various levels with respect to applicability of GST on such transactions, the Company has obtained a legal opinion in the current year and basis the same evaluated that no provision is required to be made in the books.

- 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 were the wholly-owned subsidiaries of the Transferee Company, there was no consideration applicable. 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".

- 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.

- 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. 431 Lakhs for the quarter ended March 31, 2024, Rs. 402 Lakhs for the quarter ended December 31, 2023, Rs. 425 Lakhs for the quarter ended March 31, 2023, Rs. 1,197 Lakhs for the year ended March 31, 2024 and Rs. 1,091 Lakhs for the year ended March 31, 2023, on account of written back of certain old payables and provisions.

- 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. 24 Lakhs for the quarter ended March 31, 2024, Nil for the quarter ended December 31, 2023, Rs. 29 Lakhs for the quarter ended March 31, 2023, Rs. 24 Lakhs for the period ended March 31, 2024 and Rs. 180 Lakhs for the year ended March 31, 2023 on account of provision for certain receivable balances.

- 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 to Novezo Consulting Pvt. Limited, 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. Limited, Singapore & its step down subsidiary through a share purchase agreement.

However, despite rigorous and best efforts for closure of the deal, the Conditions Precedent were not fulfilled even after lapse of a considerable period from the date of execution of the Share Purchase Agreement. The objective and purpose of the transaction completely changed and given that the changed circumstances created a fundamentally different situation which the Parties never envisaged or agreed to in the first place, the Share Purchase Agreement got frustrated as the object and purpose of executing the Share Purchase Agreement cannot be met and has undergone a fundamental change beyond the contemplation of the parties. Accordingly, the company issued a letter intimating Novezo Consulting Pvt. Limited that the Share Purchase Agreement has been frustrated on March 11, 2023. HCL Infotech Limited will continue to operate in the ordinary course of business.

Consequent to this development, the unutilized /accumulated GST Input tax credit of HCL Infotech Limited has been provided for in books of accounts amounting Rs. 879 Lakhs during the quarter ended March 31, 2023 to the extent Company does not foresee business opportunities in near future wherein amount can be utilized.

- HCL Infosystems Limited was awarded the order for supply, installation and commissioning of communication infrastructure, on turnkey basis, for CWG (Commonwealth Games) and later the work of re-deployment of equipment in MTNL's network in Delhi and Mumbai was also included. Disputes arose between both the parties with regard to completion of the project and Arbitration proceedings were initiated by HCL Infosystems Limited to recover the pending amount. In August 2014, the Arbitral Tribunal passed an Award in favour of HCL Infosystems Limited, whereby allowing majority of its claim and dismissing all the counter-claims of MTNL. MTNL challenged the Award before the High Court of Delhi and the same was dismissed. MTNL filed an Appeal before the Division Bench of the High Court challenging the said dismissal, wherein during the March 2016, the MTNL was directed to deposit a total sum of Rs. 9,130 Lakhs (Rs. 8,035 Lakhs principal and Rs. 1,095 Lakhs interest) with the Court in the form of a Fixed Deposit. This contract was part of Hardware Solutions business transferred to HCL Infotech Limited under Scheme of Arrangement in 2013. HCL Infotech Limited filed an application for release of the aforesaid Fixed Deposit (including accumulated interest accrued thereon till date of release of Rs. 4,307 Lakhs including TDS) of Rs. 12,342 Lakhs. Accordingly, the same has been released on adhoc basis vide order of the Hon'ble High Court of Delhi dated September 28, 2022 against a Bank Guarantee which is backed by Corporate Guarantee provided by HCL Corporation Limited on behalf of HCL Infotech Limited.

As part of issuance of Optionally Convertible Debentures (OCDs), HCL Infotech Limited has transferred its rights to receive cash flows from MTNL to the HCL Infosystems Limited and as per the terms of OCDs, cash collected shall be utilized to redeem OCDs. However, since MTNL's Appeal is sub-judice (pending disposal) before the Division Bench of the High Court, amount has not been utilized for redemption of OCDs and shown as amount collected under litigation as a part of current liabilities in the financial statement of HCL Infotech Limited.

- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2024 and the unaudited published year-to-date figures upto December 31, 2023 being the date of the end of the third quarter of the financial year which were subjected to a limited review.

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

By order of the Board  
for HCL Infosystems Limited

Nikhil Sinha  
Chairperson

Place : Noida  
Date : May 22, 2024

## Consolidated Cash Flow Statement of HCL Infosystems Limited as per Ind AS:

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2024	31.03.2023
	Audited	Audited
<b>Cash Flow from Operating Activities:</b>		
<b>Loss before tax from continuing and discontinued operations</b>	(1,582)	(3,874)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	54	58
Finance cost	37	193
Interest income on FD & others	(1,291)	(476)
Interest on income tax refund	(70)	-
Net gains on fair value changes on investments	(43)	(80)
Net profit on sale of property, plant and equipment	(1,197)	(1,386)
Property, plant and equipment written-off	-	18
Profit on disposal of unquoted investments	(191)	(309)
(Gain)/loss on foreign exchange fluctuation	20	(158)
Provision for doubtful debts	34	314
Provision for doubtful loans and advances and other current assets	50	99
Provisions/liabilities no longer required written back	(1,197)	(1,091)
Provisions for Input tax credit	385	1,311
<b>Operating loss before working capital changes</b>	<b>(4,991)</b>	<b>(5,381)</b>
<b>Changes in operating assets and liabilities</b>		
Decrease/(Increase) in trade receivables	822	(1,894)
Decrease in non current assets	425	351
Decrease in current assets	115	1,899
Decrease in inventories	2	12
Increase in non current liabilities	50	13
(Decrease)/increase in current liabilities	(988)	11,222
<b>Cash flow from/ (used in) operations</b>	<b>(4,565)</b>	<b>6,222</b>
Net tax refund (including interest)	947	1,134
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(3,618)</b>	<b>7,356</b>
<b>Cash flow from investing activities:</b>		
Payment for property, plant and equipment (including intangible assets)	(19)	(43)
Proceeds from sale of properties	1	3,369
Proceeds from sale of current investments	17,815	34,762
Purchase of current investments	(15,799)	(29,099)
Maturity of bank deposits	(330)	(11,227)
Movement in margin money account	118	242
Interest received	1,291	476
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>3,077</b>	<b>(1,520)</b>
<b>Cash Flow from Financing Activities:</b>		
Proceeds from loans and borrowings	35,500	35,500
Repayment of loans and borrowings	(35,500)	(41,403)
Interest paid	(37)	(285)
<b>Net cash used in financing activities (C)</b>	<b>(37)</b>	<b>(6,188)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(578)</b>	<b>(352)</b>
Opening balance of cash and cash equivalents	1,975	2,188
Exchange difference on translation of foreign currency cash and cash equivalent	10	139
<b>Closing balance of cash and cash equivalents</b>	<b>1,407</b>	<b>1,975</b>
<b>Cash and cash equivalents comprise of</b>		
Cash, cheques and drafts (on hand)*	0	6
Balances with banks on current accounts	1,407	1,758
Balances with banks on deposits accounts	-	211

\* Amount in "0" represent less than one lakhs