

Particulars		Consolidated			
		Three months ended			Year ended
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	747	672	1,130	3,217
	Other income	633	825	542	2,982
	Total Income	1,380	1,497	1,672	6,199
2	Expenses				
(a)	Direct expenses	218	195	534	1,303
(b)	Changes in inventories of stock-in-trade	5	(2)	2	2
(c)	Employee benefits expense	531	517	473	2,003
(d)	Finance costs	4	3	15	37
(e)	Depreciation and amortisation expense	11	12	14	54
(f)	Legal, professional and consultancy charges	568	737	498	3,302
(g)	Other expenses	456	582	725	2,276
	Total expenses	1,793	2,044	2,261	8,977
3	Loss before exceptional items and tax from continuing operations (1 - 2)	(413)	(547)	(589)	(2,778)
4	Exceptional Items gain (Refer note 3)	-	-	-	1,196
5	Loss before tax from continuing operations (3 + 4)	(413)	(547)	(589)	(1,582)
6	Tax expense / (credit)				
	(a) Current tax	-	6	-	6
	(b) Deferred tax expense	-	-	-	-
7	Loss for the period from continuing operations (5 - 6)	(413)	(553)	(589)	(1,588)
8	Profit / (Loss) before tax from discontinued operations	-	-	-	-
9	Profit / (Loss) on disposal of discontinued operations	-	-	-	-
10	Tax expense / (credit) of discontinued operations	-	-	-	-
11	Net loss for the period from discontinued operations (8 + 9 - 10)	-	-	-	-
12	Net loss for the period (7+ 11)	(413)	(553)	(589)	(1,588)
13	Other comprehensive income				
	A (i) Items that will not be reclassified to profit and loss	-	(4)	-	(4)
	(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	(2)	(10)	3	9
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income, net of income tax	(2)	(14)	3	5
14	Total comprehensive loss for the period (12 + 13)	(415)	(567)	(586)	(1,583)
15	Net loss attributable to:				
	- Shareholders	(413)	(553)	(589)	(1,588)
	- Non-controlling interests	-	-	-	-
	Total comprehensive loss attributable to:				
	- Shareholders	(415)	(567)	(586)	(1,583)
	- Non-controlling interests	-	-	-	-
16	Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584
17	Reserve as per balance sheet of previous accounting year	-	-	-	(33,516)
18	Earnings per share for continuing operations (of Rs. 2/- each) (not annualised):				
	(a) Basic	(0.13)	(0.17)	(0.18)	(0.48)
	(b) Diluted	(0.13)	(0.17)	(0.18)	(0.48)
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	(0.13)	(0.17)	(0.18)	(0.48)
	(b) Diluted	(0.13)	(0.17)	(0.18)	(0.48)

Notes:

1. Consolidated results include financial results of HCL Infosystems Limited (hereinafter referred to as "the Parent"), HCL Infotech Limited, HCL Investments 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 Standards (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 August 08, 2024. The statutory auditors have issued unmodified review report on these results.

2. 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 Rs. 413 lakhs during the current year (three months ended March 31, 2024: net loss Rs 553 lakhs and year ended March 31, 2024: net loss of Rs. 1,588 lakhs) and the Group's current liabilities exceeded its current assets by Rs. 46,783 lakhs (March 31, 2024 - Rs. 51,748 lakhs) as at June 30, 2024. The management of the Group has been 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 to banks of Rs. 33,035 lakhs and interest free unsecured loans of Rs. 35,500 lakhs to HCL Infosystems Limited out of total authorized limit of Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Group, vide their resolution dated September 14, 2017. Considering the above support, the 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	(Rs. in Lakhs)			
	Three months ended			Year ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited	Unaudited	Audited
Gain on sale of properties, plant and equipment	-	-	-	1,196
Total Gain (Refer Note No. 4)	-	-	-	1,196

4. In order to reduce Group's debt obligations, the Group decided to monetize group owned properties in a phased manner. Several of Group's properties were not being fully utilized due to changes in the business of the Group, therefore, as a part of ongoing property monetization plan, the group had sold certain properties resulting in gain of Rs. 1,196 Lakhs for the year ended March 31, 2024. There is no such transaction during the quarter ended June 30, 2024, March 31, 2024 and June 30, 2023.

5. 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.

6. 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. 222 Lakhs for the quarter ended June 30, 2024, Rs. 431 Lakhs for the quarter ended March 31, 2024, Rs. 21 Lakhs for the quarter ended June 30, 2023 and Rs. 1,197 Lakhs for the year ended March 31, 2024, on account of write back of certain old payables and provisions.



7. 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.

8. The Group had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, in the current quarter, management has reassessed the segment disclosure and believes that with the scale down of the Distribution business which is limited to providing IT support services (primarily annual maintenance activities) and progressive decline in learning operations, the Chief Operating Decision maker primarily focusses on combined business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group has aggregated its segment into a single segment which is providing IT support services and hence no separate disclosure is required for Segment as per Ind AS 108 'Operating Segments'.

9. 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.



for HCL Infosystems Limited

Ritu Arora
Director

Place : Gurugram

Date : August 08, 2024