

**HCL INFOSYSTEMS LIMITED**  
**Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 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		Year end
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income</b>						
Revenue from operations	679	747	599	1,426	1,729	3,217
Other income	555	633	854	1,188	1,396	2,982
<b>Total Income</b>	<b>1,234</b>	<b>1,380</b>	<b>1,453</b>	<b>2,614</b>	<b>3,125</b>	<b>6,199</b>
<b>2 Expenses</b>						
(a) Direct expenses	150	218	367	368	901	1,303
(b) Changes in inventories of stock-in-trade	(1)	5	1	4	3	2
(c) Employee benefits expense	551	531	504	1,082	977	2,003
(d) Finance costs	7	4	12	11	27	37
(e) Depreciation and amortisation expense	13	11	14	24	28	54
(f) Legal, professional and consultancy charges	665	568	776	1,233	1,274	3,302
(g) Other expenses	633	456	491	1,089	1,216	2,276
<b>Total expenses</b>	<b>2,018</b>	<b>1,793</b>	<b>2,165</b>	<b>3,811</b>	<b>4,426</b>	<b>8,977</b>
<b>3 Loss before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(784)</b>	<b>(413)</b>	<b>(712)</b>	<b>(1,197)</b>	<b>(1,301)</b>	<b>(2,778)</b>
4 Exceptional items gain (Refer note 3)	-	-	1,196	-	1,196	1,196
<b>5 Profit / (loss) before tax from continuing operations (3 + 4)</b>	<b>(784)</b>	<b>(413)</b>	<b>484</b>	<b>(1,197)</b>	<b>(105)</b>	<b>(1,582)</b>
6 Tax expense / (credit)						
(a) Current tax	-	-	-	-	-	6
(b) Deferred tax expense	-	-	-	-	-	-
<b>7 Profit / (loss) for the period from continuing operations (5 - 6)</b>	<b>(784)</b>	<b>(413)</b>	<b>484</b>	<b>(1,197)</b>	<b>(105)</b>	<b>(1,588)</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>(784)</b>	<b>(413)</b>	<b>484</b>	<b>(1,197)</b>	<b>(105)</b>	<b>(1,588)</b>
13 Other comprehensive income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(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	35	(2)	3	33	6	9
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other comprehensive income / (loss), net of income tax for the period</b>	<b>35</b>	<b>(2)</b>	<b>3</b>	<b>33</b>	<b>6</b>	<b>5</b>
<b>14 Total comprehensive income for the period (12 + 13)</b>	<b>(749)</b>	<b>(415)</b>	<b>487</b>	<b>(1,164)</b>	<b>(99)</b>	<b>(1,583)</b>
15 Net Profit / (loss) attributable to:						
- Shareholders	(784)	(413)	484	(1,197)	(105)	(1,588)
- Non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to:						
- Shareholders	(749)	(415)	487	(1,164)	(99)	(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	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	(0.24)	(0.13)	0.15	(0.36)	(0.03)	(0.48)
(b) Diluted	(0.24)	(0.13)	0.15	(0.36)	(0.03)	(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	(0.24)	(0.13)	0.15	(0.36)	(0.03)	(0.48)
(b) Diluted	(0.24)	(0.13)	0.15	(0.36)	(0.03)	(0.48)

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

Particulars	Consolidated	
	As at 30.09.2024 (Unaudited)	As at 31.03.2024 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	172	225
Other intangible assets	23	26
Financial assets		
i. Other financial assets	808	6,293
Advance income tax asset (net)	5,323	5,171
Other non-current assets	13,331	13,320
<b>Total non-current assets</b>	<b>19,657</b>	<b>25,035</b>
<b>Current assets</b>		
Inventories	33	37
Financial assets		
i. Investments	2,607	2,643
ii. Trade receivables	1,918	1,849
iii. Cash and cash equivalents	843	1,407
iv. Bank balances other than (iii) above	15,641	11,788
v. Other financial assets	6	6
Other current assets	2,802	2,795
Assets held for sale	61	10
<b>Total Current Assets</b>	<b>23,911</b>	<b>20,535</b>
<b>Total assets</b>	<b>43,568</b>	<b>45,570</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	(34,680)	(33,516)
Non-controlling interests	(0)	(0)
<b>Total equity</b>	<b>(28,096)</b>	<b>(26,932)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	-	-
Provisions	216	219
<b>Total non-current liabilities</b>	<b>216</b>	<b>219</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	35,500	35,500
ii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	82	34
(b) total outstanding dues of creditors other than micro enterprises and small	5,725	5,855
iii. Other financial liabilities	478	564
Other current liabilities	26,710	26,561
Provisions	2,953	3,769
Current tax liabilities (net)	-	-
<b>Total current liabilities</b>	<b>71,448</b>	<b>72,283</b>
<b>Total liabilities</b>	<b>71,664</b>	<b>72,502</b>
<b>Total equity and liabilities</b>	<b>43,568</b>	<b>45,570</b>

**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 November 14, 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. 1,197 lakhs during the six months ended September 30, 2024 (year ended March 31, 2024: net loss of Rs. 1,588 lakhs) and the Group's current liabilities exceeded its current assets by Rs. 47,537 lakhs (March 31, 2024 - Rs. 51,748 lakhs) as at September 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, 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. 39,600 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	Three months ended			Year to date		(Rs. In Lakhs)
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
Gain on sale of property, plant and equipment's (Refer Note No. 4)	-	-	1,196	-	1,196	1,196
<b>Total gain</b>	-	-	<b>1,196</b>	-	<b>1,196</b>	<b>1,196</b>

4. In order to reduce Company's debt obligations, the Company 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 monetization plan, the Company 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 period ended September 30, 2024 and quarter ended June 30, 2024.

5. 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. 214 Lakhs for the quarter ended September 30, 2024, Rs. 222 Lakhs for the quarter ended June 30, 2024, Rs. 343 Lakhs for the quarter ended September 30, 2023, Rs 436 Lakhs for the period ended September 30, 2024, Rs 364 Lakhs for the period ended September 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.

6. 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 other current liabilities in the financial statement of HCL Infotech Limited.

7. The Group had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, 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'.

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

By order of the Board  
for HCL Infosystems Limited

Chairperson  
Date : November 14, 2024

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

Particulars	Year to date		Year ended
	30.09.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Audited
<b>Cash Flow from Operating Activities:</b>			
<b>Loss before tax from continuing and discontinued operations</b>	(1,197)	(105)	(1,582)
<b>Adjustments for:</b>			
Depreciation and amortisation expense	24	28	54
Finance cost	11	27	37
Interest income on bank deposits & others	(601)	(637)	(1,291)
Interest on income tax refund	-	(70)	(70)
Net gains on fair value changes on investments	(8)	(54)	(43)
Net profit on sale of property, plant and equipment	(0)	(1,196)	(1,197)
Profit on disposal of unquoted investments	(75)	(83)	(191)
(Gain)/loss on foreign exchange fluctuation	30	(67)	20
Provision for doubtful debts	-	27	34
Provision for doubtful loans and advances and other current assets	45	27	50
Provisions/liabilities no longer required written back	(331)	(364)	(1,197)
Provisions for Input tax credit	276	174	385
<b>Operating loss before working capital changes</b>	<b>(1,826)</b>	<b>(2,293)</b>	<b>(4,991)</b>
<b>Changes in operating assets and liabilities</b>			
- (Increase) / Decrease in trade receivables	(69)	406	822
- (Increase) / Decrease in non-current assets	(12)	173	425
- (Increase) / Decrease in current assets	(296)	(225)	115
- Decrease in inventories	4	3	2
- Increase / (Decrease) in non current liabilities	(3)	(6)	50
- Decrease in current liabilities	(569)	(222)	(988)
<b>Cash flow used in operations</b>	<b>(2,771)</b>	<b>(2,164)</b>	<b>(4,565)</b>
- Net tax refund (including interest) / tax deduction at source	(151)	1,278	947
<b>Net cash flow used in operating activities (A)</b>	<b>(2,922)</b>	<b>(886)</b>	<b>(3,618)</b>
<b>Cash flow from investing activities:</b>			
Payment for property, plant and equipment (including intangible assets)	(11)	(14)	(19)
Proceeds from sale of properties	0	(0)	1
Proceeds from redemption of mutual funds	8,843	8,321	17,815
Investment of mutual funds	(8,725)	(6,900)	(15,799)
Redemption / (Investment in) of bank deposits (net)	1,475	(1,517)	(330)
Movement in margin money account	158	(196)	118
Interest received	601	637	1,291
<b>Net cash flow from investing activities (B)</b>	<b>2,341</b>	<b>331</b>	<b>3,077</b>
<b>Cash Flow from Financing Activities:</b>			
Proceeds from loans and borrowings from related party	31,500	14,000	35,500
Repayment of loans and borrowings from related party	(31,500)	(14,000)	(35,500)
Interest paid	(11)	(27)	(37)
<b>Net cash used in financing activities (C)</b>	<b>(11)</b>	<b>(27)</b>	<b>(37)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(592)</b>	<b>(582)</b>	<b>(578)</b>
Opening balance of cash and cash equivalents	1,407	1,975	1,975
Exchange difference on translation of foreign currency cash and cash equivalents	28	12	10
Effect of exchange differences on translation of foreign operations	-	55	-
<b>Closing balance of cash and cash equivalents</b>	<b>843</b>	<b>1,460</b>	<b>1,407</b>
<b>Cash and cash equivalents comprise of</b>			
Cash, cheques and drafts (on hand)*	0	6	0
Balances with banks on current accounts	843	1,443	1,407
Balances with banks on deposits accounts	0	11	-

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