

HCL INFOSYSTEMS LTD.

Corporate Office: A-11, Sector 3, NOIDA 201 301, U.P., India

Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791

Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.

Corporate Identity Number - L72200DL1986PLC023955

www.hclinfosystems.in

www.hcl.com

14th November, 2024

To

The General Manager Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	The Vice President 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 30th September 2024

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

Dear Sirs,

This is further to our letter dated 7th November, 2024 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 30th September, 2024, duly reviewed and recommended by the Accounts and Audit Committee at the meeting held today i.e., 14th November, 2024. (As enclosed).
2. Limited Review Report on the aforesaid un-audited standalone and consolidated financial results are also enclosed. Further, we wish to state that the said Reports are with unmodified opinion.

The meeting of the Board of Directors commenced at 11:45 A.M. and concluded at 3:35 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
Membership No. A41455

HCL INFOSYSTEMS LIMITED

Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2024

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

Website www.hclinfosystems.in

Email ID: cosec@hcl.com

Standalone Statement of Profit and Loss of HCL Infosystems Limited as per Ind AS:

(Rs. In Lakhs)

Particulars	Standalone					
	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
1 Income						
Revenue from operations	84	120	114	204	242	475
Other income	229	128	389	357	598	1,309
Total Income	313	248	503	561	840	1,784
2 Expenses						
(a) Purchase of services	86	118	113	204	240	470
(b) Changes in inventories of stock-in-trade	(2)	-	-	(2)	-	-
(c) Employee benefits expense	148	152	146	300	297	601
(d) Finance costs	5	6	13	11	27	43
(e) Depreciation and amortization expense	13	11	14	24	28	53
(f) Legal, professional and consultancy charges	57	183	203	240	458	805
(g) Other expenses	429	189	257	618	661	1,059
Total expenses	736	659	746	1,395	1,711	3,031
3 Loss before exceptional items and tax (1 - 2)	(423)	(411)	(243)	(834)	(871)	(1,247)
4 Exceptional Items gain / (loss) (Refer note 2)	(416)	(1)	727	(417)	762	(308)
5 Profit / (loss) before tax (3 + 4)	(839)	(412)	484	(1,251)	(109)	(1,555)
6 Tax expense						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax expense	-	-	-	-	-	-
7 Net Profit / (loss) for the period (5 - 6)	(839)	(412)	484	(1,251)	(109)	(1,555)
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	-
(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	-	-	-	-	-	-
Total other comprehensive income / (loss), net of income tax for the period	-	-	-	-	-	-
9 Total comprehensive income for the period (7 + 8)	(839)	(412)	484	(1,251)	(109)	(1,555)
10 Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584
11 Reserve as per balance sheet of previous accounting year						(33,654)
12 Earnings per share (of Rs. 2/- each) (not annualised):						
(a) Basic	(0.25)	(0.13)	0.15	(0.38)	(0.03)	(0.47)
(b) Diluted	(0.25)	(0.13)	0.15	(0.38)	(0.03)	(0.47)

Standalone Balance Sheet of HCL Infosystems Limited as per Ind AS:

(Rs. In Lakhs)

Particulars	Standalone	
	As at 30.09.2024 (Unaudited)	As at 31.03.2024 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	172	225
Other intangible assets	23	26
Financial assets		
i. Investments	4	4
ii. Other financial assets	654	649
Advance income tax (net)	2,100	1,994
Other non-current assets	12,693	12,682
Total non-current assets	15,646	15,580
Current assets		
Inventories	2	-
Financial assets		
i. Investments	2,129	2,436
ii. Trade receivables	370	114
iii. Cash and cash equivalents	316	830
iv. Bank balances other than (iii) above	3,146	3,311
v. Loans	3	3
vi. Others financial assets	223	279
Other current assets	360	464
Asset Held for Sale	61	10
Total current assets	6,610	7,447
Total assets	22,256	23,027
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,584	6,584
Other equity	(34,905)	(33,654)
Total equity	(28,321)	(27,070)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	-	-
Provisions	94	93
Total non-current liabilities	94	93
Current liabilities		
Financial liabilities		
i. Borrowings	35,500	35,500
ii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	69	9
(b) total outstanding dues of creditors other than micro enterprises and small	2,421	2,277
iii. Other financial liabilities	165	216
Other current liabilities	166	281
Provisions	12,162	11,721
Total current liabilities	50,483	50,004
Total liabilities	50,577	50,097
Total equity and liabilities	22,256	23,027

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Notes

1. 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. Exceptional items include :

Particulars	Three months ended			Year to date		
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
a. Gain on sale of property, plant and equipment (refer note no 7)	-	-	1,196	-	1,196	1,196
b. Reversal/(Provision) for loss in subsidiary #	(416)	(1)	(469)	(417)	(434)	(1,504)
Total Gain / (Loss) - (a+b)	(416)	(1)	727	(417)	762	(308)

#One of the Company's wholly owned subsidiary namely "HCL Infotech Limited" has been incurring operational losses during the last few years due to various reasons including delay in collections of receivables, challenging market conditions, cost overruns and legal expenses in respect of long-term contracts. Considering the fact that most of these long-term contracts were originally entered with the Company and transferred to HCL Infotech Limited through the Scheme of Arrangement in the past, there is a constructive obligation for the Company to provide operational and financial support to HCL Infotech Limited for execution of its contracts. This constructive obligation is also supported by the past practice followed by the Company wherein it has been, from time to time, voluntarily extending financial support to its subsidiaries, even during challenging market circumstances. Such continuous and timely support from the Company has helped fund the losses of its subsidiaries and enabled them to meet their financial obligations without any delays/ defaults.

Basis the same, the Company is creating provision for loss of subsidiary in the standalone financials to the extent of accumulated losses and erosion of net worth of subsidiary, as at the reporting date. This has been treated as a present obligation of the Company wherein it is probable that an outflow of resources will be required to support HCL Infotech Limited and pay its liabilities that are more than its assets as on reporting date, as required by Ind AS 37.

3. For past several years, the Company has continuously made losses and its net worth has been fully eroded. Further the Company has incurred a net loss of Rs. 1,251 lakhs, during the six months ended September 30, 2024 (year ended March 31, 2024: net loss Rs.1,555 lakhs) and the Company's current liabilities exceeded its current assets by Rs. 43,873 lakhs (March 31, 2024: Rs. 42,557 lakhs) as at September 30, 2024. 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, 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 Company, vide their resolution dated September 14, 2017. Considering the above support, the 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 standalone financial results have been prepared on a going concern basis.

4. The Company 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 Company 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'.

5. 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 126 Lakhs for the quarter ended September 30, 2024, Rs 5 Lakhs for the quarter ended June 30, 2024, Rs 175 Lakhs for the quarter ended September 30, 2023, Rs 131 Lakhs for the period ended September 30, 2024, Rs 175 Lakhs for the period ended September 30, 2023 and Rs 661 Lakhs for the year ended March 31, 2024, on account of written back of certain old payables and provisions.

6. 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.

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

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

By order of the Board
for HCL Infosystems Limited

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Nikhil Sinha
Chairperson
Date : November 14, 2024

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

(Rs. In Lakhs)

Particulars	Year to date		Year ended
	30.09.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Audited
Cash flow from Operating Activities:			
Loss before tax	(1,251)	(109)	(1,555)
Adjustments for:			
Depreciation and amortisation expense	24	28	53
Finance cost	11	27	43
Interest income on bank deposits & others	(148)	(126)	(252)
Other income	-	(61)	(61)
Net gains on fair value changes on investments	(6)	(42)	(36)
Net profit on sale of properties	(0)	(1,196)	(1,196)
Gain on sale of investment carried at FVTPL	(63)	(43)	(130)
Provision for loss in subsidiary	417	434	1,504
(Gain)/loss on foreign exchange fluctuation	2	(16)	34
Provisions for Input tax credit	245	174	335
Provisions for doubtful other current assets	39	27	38
Provisions/liabilities no longer required written back	(26)	(175)	(661)
Operating loss before working capital changes	(756)	(1,078)	(1,884)
Changes in operating assets and liabilities			
Decrease/(Increase) in trade receivables	(256)	30	166
Decrease/(Increase) in non-current assets	(12)	174	415
Decrease/(Increase) in current assets	(125)	171	3
Increase in inventories	(2)	-	-
Increase/(Decrease) in non current liabilities	0	(8)	1
Increase/(Decrease) in current liabilities	78	(49)	(274)
Cash flow used in operations	(1,073)	(760)	(1,573)
Net tax refund (including interest) / tax deduction at source	(106)	728	765
Net cash flow used in operating activities (A)	(1,179)	(32)	(806)
Cash flow from investing activities:			
Purchase of properties plant and equipment's and intangible assets	(11)	(14)	(19)
Proceeds from redemption of mutual funds	6,750	6,560	14,652
Investment of mutual funds	(6,375)	(6,750)	(14,399)
Interest received	148	126	252
Redemption / (investment in) of bank deposits (net)	160	(382)	(196)
Inter corporate deposits given	-	-	(1)
Net cash flow from/ (used in) investing activities (B)	672	(460)	289
Cash Flow from Financing Activities:			
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)	(43)
Net cash flow used in financing activities (C)	(11)	(27)	(43)
Net decrease in cash and cash equivalents (A+B+C)	(518)	(519)	(562)
Opening balance of cash and cash equivalents	830	1,393	1,393
Exchange difference on translation of foreign currency cash and cash equivalent	4	12	(1)
Closing balance of cash and cash equivalents	316	886	830
Cash and cash equivalents comprise of			
Cash, cheques and drafts (on hand)	0	-	0
Balances with banks on current accounts	316	886	830
Balances with banks on deposits accounts	-	-	-

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Limited Review Report on unaudited standalone financial results of HCL Infosystems Limited for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 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 standalone financial results of HCL Infosystems Limited (hereinafter referred to as “the Company”) for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by its 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, as amended (“Listing Regulations”). 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. 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.
4. Based on our review conducted as 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.

5. We draw attention to note 3 of the statement, which states that the company has continuously made losses for past several years and its net worth is fully eroded. Further, the Company's current liabilities exceed its current assets as at 30 September 2024 by Rs. 43,873 lakhs (31 March 2024: Rs 42,557 lakhs). These conditions 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 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

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Girish Arora

Partner

New Delhi

14 November 2024

Membership No.: 098652

UDIN: 24098652BKAGKI1599

HCL INFOSYSTEMS LIMITED
Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2024
 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
 Website www.hclinfosystems.in
 Email ID: cosec@hcl.com

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
1 Income						
Revenue from operations	679	747	599	1,426	1,729	3,217
Other income	555	633	854	1,188	1,396	2,982
Total Income	1,234	1,380	1,453	2,614	3,125	6,199
2 Expenses						
(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
Total expenses	2,018	1,793	2,165	3,811	4,426	8,977
3 Loss before exceptional items and tax from continuing operations (1 - 2)	(784)	(413)	(712)	(1,197)	(1,301)	(2,778)
4 Exceptional items gain (Refer note 3)	-	-	1,196	-	1,196	1,196
5 Profit / (loss) before tax from continuing operations (3 + 4)	(784)	(413)	484	(1,197)	(105)	(1,582)
6 Tax expense / (credit)						
(a) Current tax	-	-	-	-	-	6
(b) Deferred tax expense	-	-	-	-	-	-
7 Profit / (loss) for the period from continuing operations (5 - 6)	(784)	(413)	484	(1,197)	(105)	(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 Profit / (loss) for the period from discontinued operations (8 + 9 - 10)	-	-	-	-	-	-
12 Net Profit / (loss) for the period (7+ 11)	(784)	(413)	484	(1,197)	(105)	(1,588)
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	-	-	-	-	-	-
Total other comprehensive income / (loss), net of income tax for the period	35	(2)	3	33	6	5
14 Total comprehensive income for the period (12 + 13)	(749)	(415)	487	(1,164)	(99)	(1,583)
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)
ASSETS		
Non-Current Assets		
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
Total non-current assets	19,657	25,035
Current assets		
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
Total Current Assets	23,911	20,535
Total assets	43,568	45,570
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,584	6,584
Other equity	(34,680)	(33,516)
Non-controlling interests	(0)	(0)
Total equity	(28,096)	(26,932)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	-	-
Provisions	216	219
Total non-current liabilities	216	219
Current liabilities		
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)	-	-
Total current liabilities	71,448	72,283
Total liabilities	71,664	72,502
Total equity and liabilities	43,568	45,570

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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	(Rs. In Lakhs)					
	Three months ended			Year to date		
	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
Total gain	-	-	1,196	-	1,196	1,196

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

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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
Cash Flow from Operating Activities:			
Loss before tax from continuing and discontinued operations	(1,197)	(105)	(1,582)
Adjustments for:			
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
Operating loss before working capital changes	(1,826)	(2,293)	(4,991)
Changes in operating assets and liabilities			
- (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)
Cash flow used in operations	(2,771)	(2,164)	(4,565)
- Net tax refund (including interest) / tax deduction at source	(151)	1,278	947
Net cash flow used in operating activities (A)	(2,922)	(886)	(3,618)
Cash flow from investing activities:			
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
Net cash flow from investing activities (B)	2,341	331	3,077
Cash Flow from Financing Activities:			
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)
Net cash used in financing activities (C)	(11)	(27)	(37)
Net decrease in cash and cash equivalents (A+B+C)	(592)	(582)	(578)
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	-
Closing balance of cash and cash equivalents	843	1,460	1,407
Cash and cash equivalents comprise of			
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

Limited Review Report on unaudited consolidated financial results of HCL Infosystems Limited for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 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 (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 September 2024 and year to date results for the period from 01 April 2024 to 30 September 2024 (“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.
6. We draw attention to note 2 of the consolidated financial results, which states that the Group has continuously made losses for past several years and its net worth is fully eroded. Further, the company's current liabilities exceed its current assets as of 30 September 2024 by Rs. 47,537 lakhs (March 31, 2024 - Rs. 51,748 lakhs) as at September 30, 2024. These conditions 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 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 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.

7. The Statement includes the interim financial results of three Subsidiaries which have not been reviewed, whose interim financial results reflects total assets of Rs. 376.46 lakhs as at 30 September 2024 and total revenues of Rs. Nil and Rs. Nil, total net profit after tax of Rs. 54.41 lakhs and Rs. 54.07 lakhs and total comprehensive income of Rs. 89.77 lakhs and Rs. 87.26 lakhs, for the quarter ended 30 September 2024 and for the period from 1 April 2024 to 30 September 2024 respectively, and cash flows (net) of (Rs 4.14 lakh) for the period from 01 April 2024 to 30 September 2024. as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial results are 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

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Girish Arora

Partner

New Delhi

14 November 2024

Membership No.: 098652

UDIN: 24098652BKAGKJ7015