

**HCL INFOSYSTEMS LTD.**

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

Corporate Identity Number - L72200DL1986PLC023955

www.hclinfosystems.in

www.hcl.com

**22<sup>nd</sup> May, 2024**

To

<b>The General Manager</b> Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	<b>The Vice President</b> Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051
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**Sub: Audited Financial Results for the quarter/ financial year ended 31<sup>st</sup> March, 2024**

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

Dear Sirs,

This is further to our letter dated 15<sup>th</sup> May, 2024 on the above subject.

- i. Audited Financial Results of the Company on standalone and consolidated basis for the quarter/financial year ended 31<sup>st</sup> March, 2024 which have been approved and taken on record at the meeting of the Board of Directors of the Company after recommendation of Accounts and Audit Committee held today i.e. 22<sup>nd</sup> May, 2024.
- ii. Auditor's Report on the aforesaid audited standalone and consolidated financial results. Further we wish to state that the said Reports are with unmodified opinion.

The meeting of the Board of Directors commenced at 1:00 P.M. and concluded at 4:20 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**  
**Audited Standalone Financial Results for the quarter and year ended March 31, 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	
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
	Audited	Unaudited	Audited	Audited	Audited
<b>1 Income</b>					
Revenue from operations	94	139	135	475	608
Other income	571	140	360	1,309	1,367
<b>Total Income</b>	<b>665</b>	<b>279</b>	<b>495</b>	<b>1,784</b>	<b>1,975</b>
<b>2 Expenses</b>					
(a) Direct Expense	92	138	94	470	603
(b) Changes in inventories of stock-in-trade	-	-	3	-	2
(c) Employee benefits expense	154	150	195	601	867
(d) Finance costs	10	6	9	43	153
(e) Depreciation and amortization expense	12	13	13	53	57
(f) Legal, professional and consultancy charges	159	188	217	805	949
(g) Other expenses	235	163	260	1,059	1,673
<b>Total expenses</b>	<b>662</b>	<b>658</b>	<b>791</b>	<b>3,031</b>	<b>4,304</b>
<b>3 Profit/(Loss) before exceptional items and tax (1 - 2)</b>	<b>3</b>	<b>(379)</b>	<b>(296)</b>	<b>(1,247)</b>	<b>(2,329)</b>
4 Exceptional Items loss (Refer note 2)	(538)	(532)	(262)	(308)	(1,508)
<b>5 Loss before tax (3 + 4)</b>	<b>(535)</b>	<b>(911)</b>	<b>(558)</b>	<b>(1,555)</b>	<b>(3,837)</b>
6 Tax expense					
(a) Current tax	-	-	-	-	-
(b) Deferred tax expense	-	-	-	-	-
<b>7 Net loss for the period (5 - 6)</b>	<b>(535)</b>	<b>(911)</b>	<b>(558)</b>	<b>(1,555)</b>	<b>(3,837)</b>
8 Other comprehensive income					
A (i) Items that will not be reclassified to profit and loss	-	-	2	-	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	-	-	-	-	-
(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>2</b>	<b>-</b>	<b>2</b>
<b>9 Total comprehensive loss for the period (7 + 8)</b>	<b>(535)</b>	<b>(911)</b>	<b>(556)</b>	<b>(1,555)</b>	<b>(3,835)</b>
10 Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584	6,584
11 Reserve as per balance sheet of previous accounting year	-	-	-	(33,654)	(32,099)
12 Earnings per share (of Rs. 2/- each) (not annualised):					
(a) Basic	(0.16)	(0.28)	(0.17)	(0.47)	(1.17)
(b) Diluted	(0.16)	(0.28)	(0.17)	(0.47)	(1.17)

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

Particulars	Standalone	
	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	252
Other intangible assets	26	34
Financial assets		
i. Investments	4	4
ii. Other financial assets	649	1,588
Advance income tax (net)	1,994	2,699
Other non-current assets	12,682	13,082
<b>Total non-current assets</b>	<b>15,580</b>	<b>17,659</b>
<b>Current assets</b>		
Inventories	-	-
Financial assets		
i. Investments	2,436	2,522
ii. Trade receivables	114	117
iii. Cash and cash equivalents	830	1,393
iv. Bank balances other than (iii) above	3,311	2,192
v. Loans	3	2
vi. Others financial assets	279	666
Other current assets	464	451
Asset Held for Sale	10	313
<b>Total current assets</b>	<b>7,447</b>	<b>7,656</b>
<b>Total assets</b>	<b>23,027</b>	<b>25,315</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	(33,654)	(32,099)
<b>Total equity</b>	<b>(27,070)</b>	<b>(25,515)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	-	-
Provisions	93	93
<b>Total non-current liabilities</b>	<b>93</b>	<b>93</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	9	8
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,277	2,263
iii. Other financial liabilities	216	420
Other current liabilities	281	2,238
Provisions	11,721	10,308
<b>Total current liabilities</b>	<b>50,004</b>	<b>50,737</b>
<b>Total liabilities</b>	<b>50,097</b>	<b>50,830</b>
<b>Total equity and liabilities</b>	<b>23,027</b>	<b>25,315</b>

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 by NIKHIL SINHA  
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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 May 22, 2024. The statutory auditors have issued audit report on these results.

2. 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	Audited
a. Gain on sale of property, plant and equipments(Refer note no 8)	-	-	897	1,196	1,384
b. Provision for loss in subsidiary #	(538)	(532)	(1,159)	(1,504)	(2,892)
<b>Total loss - (a+b)</b>	<b>(538)</b>	<b>(532)</b>	<b>(262)</b>	<b>(308)</b>	<b>(1,508)</b>

#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 ₹ 1,555 lakhs, during the current year (March 31, 2023: net loss ₹ 3,837 lakhs) and the Company's current liabilities exceeded its current assets by ₹ 42,557 lakhs (March 31, 2023: ₹ 43,081 lakhs) as at March 31, 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 (refer note 4), 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 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 statements 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 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".

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. 463 Lakhs for the quarter ended March 31, 2024, Rs. 23 Lakhs for the quarter ended December 31, 2023, Rs. 221 Lakhs for the quarter ended March 31, 2023, Rs. 661 Lakhs for the year ended March 31, 2024 and Rs. 756 Lakhs for the year ended March 31, 2023, on account of written back of certain old payables and provisions.

8. 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 year 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.

9. 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.

10. 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.

11. 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.

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

By order of the Board  
for HCL Infosystems Limited

**NIKHIL** Digitally signed  
by NIKHIL SINHA  
**SINHA** Date: 2024.05.22  
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Nikhil Sinha  
Chairperson

Place : Noida  
Date : May 22, 2024

## Standalone 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</b>	(1,555)	(3,837)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	53	57
Finance cost	43	153
Interest income	(252)	(178)
Interest on income tax refund	(61)	-
Net gains on fair value changes on investments	(36)	(20)
Net profit on sale of properties	(1,196)	(1,385)
Property, plant and equipment written-off	-	18
Gain on sale of investment carried at FVTPL	(130)	(117)
Provision for Loss in subsidiary	1,504	2,892
(Gain)/loss on foreign exchange fluctuation	34	(71)
Provision for doubtful debts	-	134
Provisions for Input tax credit	335	225
Provisions for doubtful other current assets	38	78
Provisions/liabilities no longer required written back	(661)	(756)
<b>Operating loss before working capital changes</b>	(1,884)	(2,807)
<b>Changes in operating assets and liabilities</b>		
Decrease/(Increase) in trade receivables	166	(138)
Decrease in non-current assets	415	234
Decrease/(Increase) in current assets	3	(245)
Decrease in inventories	-	2
Increase in non current liabilities	1	15
Decrease in current liabilities	(274)	(1,571)
<b>Cash flow used in operations</b>	(1,573)	(4,510)
Net tax refund (including interest)	765	1,551
<b>Net cash flow used in operating activities (A)</b>	(808)	(2,959)
<b>Cash flow from investing activities:</b>		
Purchase of properties plant and equipments and intangible assets	(19)	(44)
Proceeds from sale of properties	0	3,342
Proceeds from sale of short term investments	14,652	21,106
Purchase of current investments	(14,399)	(15,599)
Interest received	252	178
Maturity/(creation) of bank deposits (net)	(196)	352
Inter corporate deposits given	(1)	(2)
<b>Net cash flow from investing activities (B)</b>	289	9,333
<b>Cash Flow from Financing Activities:</b>		
Proceeds from loans and borrowings	35,500	35,500
Repayment of loans and borrowings	(35,500)	(41,404)
Interest paid	(43)	(245)
<b>Net cash flow used in financing activities (C)</b>	(43)	(6,149)
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(562)	225
Opening balance of cash and cash equivalents	1,393	1,080
Exchange difference on translation of foreign currency cash and cash equivalent	(1)	88
<b>Closing balance of cash and cash equivalents</b>	<b>830</b>	<b>1,393</b>
<b>Cash and cash equivalents comprise of</b>	<b>830</b>	<b>1,393</b>
Cash, cheques and drafts (on hand)	0	0
Balances with banks on current accounts	830	1,193
Balances with banks on deposits accounts	-	200

## Independent Auditor's Report

### To the Board of Directors of HCL Infosystems Limited

### Report on the audit of the Standalone Annual Financial Results

#### Opinion

We have audited the accompanying standalone annual financial results of HCL Infosystems Limited (hereinafter referred to as the "Company") for the year ended 31 March 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information for the year ended 31 March 2024.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

#### Material Uncertainty Related to Going Concern

We draw attention to note 3 to the standalone annual financial results, 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 31 March 2024 by Rs 42,557 lakhs (31 March 2023: Rs. 43,081 lakhs). These conditions, along with other matters set forth in note 4, 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 realise 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.

Our opinion is not modified in respect of this matter.

Registered Office:

**Independent Auditor's Report (Continued)**

**HCL Infosystems Limited**

**Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required

**Independent Auditor's Report (Continued)**

**HCL Infosystems Limited**

to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

- The standalone annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024

**GIRISH  
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**Girish Arora**

*Partner*

New Delhi

22 May 2024

Membership No.: 098652

UDIN:24098652BKAGIM8318



**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	-	-	-	(33,516)	(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>

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

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	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 :

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	Audited
Gain on sale of property, plant and equipments (Refer Note No. 4)	-	-	897	1,196	1,384
<b>Total Gain</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

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

## Independent Auditor's Report

### To the Board of Directors of HCL Infosystems Limited

### Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of HCL Infosystems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2024, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities
  1. HCL Infotech Limited
  2. HCL Investments Pte. Limited
  3. Pimpri Chinchwad eServices Limited
  4. Nurture Technologies FZE
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive loss and other financial information of the Group for the year ended 31 March 2024.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of report of the other auditor referred to in sub paragraph no. a of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

#### Material Uncertainty Related to Going Concern

We draw attention to note 2 to 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 Group's current liabilities exceed its current assets as at 31 March 2024 by Rs. 51,748 lakhs (31 March 2023: Rs. 47,041 lakhs). These conditions, along with other matters set forth in note 6, 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 realise 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 Note 2 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 Group will be able to operate as a going concern in the near future.

Our opinion is not modified in respect of this matter.

#### Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

## Independent Auditor's Report (Continued)

### HCL Infosystems Limited

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated annual financial results of which we are the independent auditor. For the other entity included in the consolidated annual financial results, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in those consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### Other Matters

- a. The consolidated annual financial results include the audited financial results of one subsidiary, whose financial statements reflect total assets (after consolidation adjustments) of Rs. 0.58 lakh as at 31 March 24, total revenues (after consolidation adjustments) of Rs. Nil and net cash outflows (after consolidation adjustments) amounting to Rs. 0.37 lakh for the year ended on that date, as considered in the consolidated annual financial results, which has been audited by its independent auditor. The independent auditor's report on financial statements of this entity has been furnished to us by the management.

**Independent Auditor's Report (Continued)**

**HCL Infosystems Limited**

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

- b. The consolidated annual financial results include the unaudited financial results of two subsidiaries, whose financial statements reflect total assets (after consolidation adjustments) of Rs. 602 lakh as at 31 March 2024, total revenue (after consolidation adjustments) of Rs. Nil, total net loss after tax (after consolidation adjustments) of Rs. 38 lakh and net cash outflows (after consolidation adjustments) of Rs. 28 lakh for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial statements have been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial statements certified by the Board of Directors.

- c. The consolidated annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231W/W-100024

**GIRISH  
ARORA**

Digitally signed by  
GIRISH ARORA  
Date: 2024.05.22  
13:25:31 +05'30'

**Girish Arora**

*Partner*

New Delhi

22 May 2024

Membership No.: 098652

UDIN:24098652BKAGIN4461