

2<sup>nd</sup> November, 2021

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: Standalone and Consolidated Unaudited Financial Results for the quarter ended 30<sup>th</sup> September, 2021 as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

Dear Sir/ Madam,

This is further to our letter dated 29<sup>th</sup> October, 2021 on the above subject.

In terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the following:

- i. Unaudited Financial Results of the Company on standalone and consolidated basis for the quarter and six months ended 30<sup>th</sup> September, 2021, duly reviewed and recommended by the Audit Committee and approved and taken on record by the Board of Directors of the Company at their meeting held today i.e., Tuesday, 2<sup>nd</sup> November, 2021.
- ii. Limited Review Report on the aforesaid unaudited 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 12:10 P.M. and concluded at 07:45 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**

Encl: As above.

**Standalone Statement of Profit and Loss for the quarter and six months ended September 30, 2021**

(Rs. In Lakhs)

Particulars	Standalone					
	Three months ended			Year to date		Year end
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income</b>						
Revenue from operations	75	309	10,511	384	17,629	21,736
Other income	885	776	418	1,661	788	2,363
<b>Total Income</b>	<b>960</b>	<b>1,085</b>	<b>10,929</b>	<b>2,045</b>	<b>18,417</b>	<b>24,099</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	-	-	-	-	-	-
(b) Purchase of stock-in-trade	20	441	10,273	461	16,377	18,148
(c) Changes in inventories of finished goods and stock-in-trade	237	(184)	489	53	1,293	2,371
(d) Employee benefits expense	160	187	825	347	1,841	2,838
(e) Finance costs	276	531	1,457	807	2,957	4,950
(f) Depreciation and amortisation expense	48	49	110	97	240	403
(g) Other expenses	1,402	1,389	2,065	2,791	3,136	6,777
<b>Total expenses</b>	<b>2,143</b>	<b>2,413</b>	<b>15,219</b>	<b>4,556</b>	<b>25,844</b>	<b>35,487</b>
<b>3 Loss before exceptional items and tax (1 - 2)</b>	<b>(1,183)</b>	<b>(1,328)</b>	<b>(4,290)</b>	<b>(2,511)</b>	<b>(7,427)</b>	<b>(11,388)</b>
4 Exceptional Items Gain/(loss) (Refer note 2)	1,502	6,320	(4,198)	7,822	(4,540)	(9,088)
<b>5 Profit/ (Loss) before tax (3 + 4)</b>	<b>319</b>	<b>4,992</b>	<b>(8,488)</b>	<b>5,311</b>	<b>(11,967)</b>	<b>(20,476)</b>
6 Tax expense	-	-	-	-	-	-
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax expense	-	-	-	-	-	-
<b>7 Net Profit/(Loss) for the period (5 - 6)</b>	<b>319</b>	<b>4,992</b>	<b>(8,488)</b>	<b>5,311</b>	<b>(11,967)</b>	<b>(20,476)</b>
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(25)
(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>-</b>	<b>-</b>	<b>-</b>	<b>(25)</b>
<b>9 Total comprehensive income for the period (7 + 8)</b>	<b>319</b>	<b>4,992</b>	<b>(8,488)</b>	<b>5,311</b>	<b>(11,967)</b>	<b>(20,501)</b>
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584
11 Reserve as per balance sheet of previous accounting year	-	-	-	-	-	(31,067)
12 Earnings per share (of Rs 2/- each) (not annualised):						
(a) Basic	0.10	1.52	(2.58)	1.61	(3.64)	(6.22)
(b) Diluted	0.10	1.52	(2.58)	1.61	(3.64)	(6.22)

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**Standalone Balance Sheet**

(Rs. In Lakhs)

Particulars	Standalone	
	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,283	3,513
Right of use assets	-	-
Capital work-in-progress	5	16
Other intangible assets	6	8
Financial assets		
i. Investments	4	4
ii. Other financial assets	2,334	3,636
Advance income tax (net)	3,767	3,914
Other non-current assets	15,334	16,546
<b>Total non-current assets</b>	<b>22,733</b>	<b>27,637</b>
<b>Current assets</b>		
Inventories	-	53
Financial assets		
i. Trade receivables	3,466	1,464
ii. Cash and cash equivalents	5,989	1,852
iii. Bank balances other than (ii) above	5,280	567
iv. Loans	148	281
v. Others financial assets	954	1,628
Other current assets	1,597	2,136
Asset Held for Sale	1,099	1,505
<b>Total current assets</b>	<b>18,533</b>	<b>9,486</b>
<b>Total assets</b>	<b>41,266</b>	<b>37,123</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	(25,754)	(31,067)
<b>Total equity</b>	<b>(19,170)</b>	<b>(24,483)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	3,703	5,903
ii. Lease obligation	-	-
Provisions	89	84
<b>Total non-current liabilities</b>	<b>3,792</b>	<b>5,987</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	40,722	47,821
ii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	282	189
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	11,674	3,851
iii. Other financial liabilities	735	1,226
Other current liabilities	2,228	1,348
Provisions	1,003	1,184
<b>Total current liabilities</b>	<b>56,644</b>	<b>55,619</b>
<b>Total liabilities</b>	<b>60,436</b>	<b>61,606</b>
<b>Total equity and liabilities</b>	<b>41,266</b>	<b>37,123</b>

## Notes

1. After recommendation by the Audit Committee, these results have been approved and taken on record by the Board of Directors at its meeting held on November 02, 2021. The statutory auditors have issued review report with unmodified opinion on these results.

2. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited		Audited
a. Profit on sale of property, plant and equipments(Refer note no 9)	3,385	6,203	-	9,588	-	-
b. Reversal/(Provision) against loan given to subsidiary	1,960	117	(4,198)	2,077	(4,540)	(8,178)
c. Provision for loss in subsidiary#	(3,843)	-	-	(3,843)	-	(279)
d. Loss on conversion of ICD to OCD (Refer Note 11)	-	-	-	-	-	(631)
<b>Total Profit / (loss) - (a+b+c+d)</b>	<b>1,502</b>	<b>6,320</b>	<b>(4,198)</b>	<b>7,822</b>	<b>(4,540)</b>	<b>(9,088)</b>

# The Company has made provision of Rs 3,843 Lakhs for the period ended September 30, 2021 (for the three month ended June,30 2021 Nil,3 month ended 30 September 2020 Nil, 6 month ended 30 September 2020 Nil and for the year ended March 31, 2021 Rs 279 Lakhs), on account of accumulated losses and erosion of net worth of HCL Infotech Limited.

3. As at September 30, 2021, the Company has accumulated losses and its net worth has been fully eroded, though the Company has earned net profit of Rs. 5,311 Lakhs during the current period ended (March 31, 2021: net loss of Rs. 20,476 Lakhs) and the Company's current liabilities exceeded its current assets by Rs. 38,111 lakhs (March 31, 2021 Rs. 46,133 lakhs) as at September 30, 2021. The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. The management of the Company, is 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 (refer note 9) 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 INR 25,000 lakh and interest free unsecured loans of INR 35,500 lakh to the Parent Company 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 Company's 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 financial results have been prepared on a going concern basis.
4. In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Company, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the previous financial year ended March 31, 2021.
5. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.
6. The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and DigiLife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal ("NCLT") at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger. Pursuant to the directions of the Hon'ble NCLT, a meeting of the Equity Shareholders and Unsecured Creditors of the Company will be held on 30th November, 2021. Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results.
7. 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.686 Lakhs, for the quarter and period ended September 30, 2021 (Nil for the three month ended June 30 2021, Nil for the period ended September 30, 2020, and Nil for the year ended March 31, 2021), on account of write back of certain old payables and provisions.
8. The company is facing delays in receipts from the customers, primarily in the System Integration Business, due to which the company has charged Rs. 561.30 Lakhs, in the Statement of Profit and Loss, for the quarter and period ended September 30,2021 (Nil for the three month ended June 30 2021, Nil for the period ended September 30, 2020, and Nil for the year ended March 31, 2021) on account of provision for certain receivable balances.

9. 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 are not being fully utilized due to changes in the business of the Company, therefore during the quarter ended, June 30, 2021, the Company has disposed three properties located in Mohali, Sector-11 Noida and Sederapet, having net carrying amount of Rs.1,407 Lakhs, for a consideration of Rs. 7,610 Lakhs, resulting an overall gain of Rs. 6,203 Lakhs. (quarter and year ended March 31, 2021: Nil). During the quarter ended September 30, 2021, the company has disposed two properties located in Hyderabad, having net carrying value Rs 1,202 Lakhs for a consideration of Rs 4,584 Lakhs, resulting an overall gain of Rs 3,385 Lakhs.

10. 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, 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., Singapore & it's step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out as on September 30, 2020 is Rs 14,700 Lakhs. The sale will be made to Novezo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the customers of the company's key defense project which is forming part of the transaction has asked the company to novate the project to either HCL Infosystems Limited or a third party service provider acceptable to the customer, instead of transferring the said project as part of HCL Infotech Limited sale. The company is currently in discussion with the customer and some of the prospective third party service providers. This transaction is likely to take longer than expected with a change in terms, which will require ratification from shareholders.
11. The Board of Directors of the Company in its meeting held on March 23, 2021, had consented to adjust the unsecured loan advanced to HCL Infotech Limited, a wholly-owned subsidiary, amounting to Rs. 40,000 Lakhs, against the subscription money payable by the Company to HCL Infotech Limited, for subscription of the 40,00,000 (forty lakhs) 0.1% Optionally Convertible Debentures (OCD) of a face value of Rs.1,000 each (Indian Rupees One thousand only) issued, on private placement basis to the Company, pursuant to terms of OCD Subscription Agreement dated March 31, 2021 between the Company and HCL Infotech Limited. As legally advised, the issuance of 0.1% OCDs does not meet the definition of loan as envisaged under section 186 of the Companies Act, 2013 and accordingly the Company is of the view that the above transaction is outside the purview of the aforesaid section.

Further the company had recognised a loss on of Rs. 631 Lakhs, upon conversion of net balance of unsecured loan into OCD during the previous financial year ended March 31, 2021.

12. The Company and HCL Infotech Limited, has agreed that the OCDs as mentioned in note 9, issued to the Company shall be redeemed only from and to the extent of the proceeds from certain specified book receivables and favorable awards received by the HCL Infotech Limited in accordance with the terms set out in the OCD Subscription Agreement. Accordingly, HCL Infotech Limited, has transferred its rights to receive cash flows from those specified book receivables and favorable awards to the Company and the aforesaid transaction meets the pass-through arrangement criteria, as per the requirements of Ind AS 109 Financial Instruments. Therefore, the outstanding balance of specified books receivables of Rs. 1,074 Lakhs for the period ended September 30,2021 (Rs1,892 Lakhs For the year ended March 31,2021) (including amount of contract assets Rs. 443 Lakhs of the period ended september 30,2021 ( Rs 867 Lakhs for the year ended March 31 2021) has been derecognized in the financial statements of HCL Infotech Limited and recognized by the Company against the value of OCDs.

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13. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

14 Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

15 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

Place : Noida  
Date : November 02, 2021

## Standalone Cash Flow Statement for six months ended September 30, 2021

(Rs. In Lakhs)

Particulars	Year to date		Year ended
	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Audited
<b>Cash flow from Operating Activities:</b>			
<b>Profit/(Loss) before tax</b>	5,311	(11,967)	(20,476)
<b>Adjustments for:</b>			
Depreciation and amortisation expense	97	240	403
Finance cost	807	2,957	4,950
Interest income	(77)	(236)	(370)
Net profit on sale of properties	(9,600)	-	(19)
Property, plant and equipment written-off	-	-	40
Provision against inter Company deposits given to subsidiaries	1,766	4,540	8,457
Loss on conversion of inter company deposits into Optionally Convertible Debentures	-	-	631
Gain on foreign exchange fluctuation	(5)	(43)	(63)
Provision for doubtful debts	1,044	233	328
Provisions for other current assets	642	-	1,780
Provisions/liabilities no longer required written back	(686)	(231)	(1,488)
<b>Operating loss before working capital changes</b>	(701)	(4,507)	(5,827)
<b>Changes in operating assets and liabilities</b>			
- Decrease / (Increase) in trade receivables	(3,046)	10,075	14,044
- Decrease in non-current assets	1,280	1,822	3,149
- Decrease in current assets	312	4,280	4,423
- Decrease in inventories	53	1,292	2,371
- Increase / (decrease) in non current liabilities	5	37	(143)
- Increase / (decrease) in current liabilities	5,082	(16,503)	(31,916)
<b>Cash flow from / (used in) operations</b>	<b>2,985</b>	<b>(3,504)</b>	<b>(13,899)</b>
- Taxes (paid) / received	147	1,213	673
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>3,132</b>	<b>(2,291)</b>	<b>(13,226)</b>
<b>Cash flow from investing activities:</b>			
Purchase of properties plant and equipment (including intangible assets)	(3)	-	(37)
Proceeds from sale of properties, plant and equipment	12,154	4	53
Interest received	77	236	229
Redemption/(investment) of bank deposits	(5,041)	1,196	1,458
Movement in margin money account	(16)	(1,242)	52
Inter corporate deposits given	(5,049)	(13,159)	(28,572)
Inter corporate deposits received back	7,261	15,951	37,941
Redemption of OCD	256	-	-
Receipt of business consideration on sale of investment in subsidiaries	1,580	-	-
<b>Net cash flow from investing activities (B)</b>	<b>11,219</b>	<b>2,986</b>	<b>11,124</b>
<b>Cash Flow from Financing Activities:</b>			
Proceeds from loans and borrowings	-	81,795	1,78,277
Repayment of loans and borrowings	(9,299)	(77,545)	(1,72,988)
Lease obligation paid	-	(89)	(103)
Interest paid	(911)	(2,780)	(4,982)
Unclaimed deposit / dividend transferred to investor education and protection fund	-	(47)	(47)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(10,210)</b>	<b>1,334</b>	<b>157</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,141</b>	<b>2,029</b>	<b>(1,945)</b>
Opening balance of cash and cash equivalents	1,852	3,756	3,756
Exchange difference on translation of foreign currency cash and cash equivalent	(4)	27	41
<b>Closing balance of cash and cash equivalents</b>	<b>5,989</b>	<b>5,812</b>	<b>1,852</b>
<b>Cash and cash equivalents comprise of</b>			
Cash, cheques and drafts (on hand)	-	12	-
Balances with banks on current accounts	5,406	5,799	1,852
Balances with banks on deposits accounts	583	1	-

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# B S R & Associates LLP

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To  
Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of HCL Infosystems Limited (“the Company”) for the quarter ended 30 September 2021 and year to date results for the period from 01 April 2021 to 30 September 2021 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the 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 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

## B S R & Associates LLP

5. We draw attention to note 3 of the Statement, which states that the Company accumulated losses, though the Company has earned profit of Rs. 5,311 Lakhs during the six months ended 30 September 2021. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 30 September 2021. 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 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 opinion 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*  
Membership No: 098652  
UDIN: 21098652AAAACD3486

Place: New Delhi  
Date: 02 November 2021

Consolidated Statement of Profit and Loss for the quarter and six months ended September 30, 2021							(Rs. In Lakhs)
Particulars	Consolidated						
	Three months ended			Year to date		Year end	
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
<b>1 Income</b>							
Revenue from operations	1,554	2,761	13,157	4,315	23,726	35,275	
Other income	1,891	818	1,097	2,709	2,040	11,327	
<b>Total Income</b>	<b>3,445</b>	<b>3,579</b>	<b>14,254</b>	<b>7,024</b>	<b>25,766</b>	<b>46,602</b>	
<b>2 Expenses</b>							
(a) Cost of materials consumed	-	-	-	-	-	-	
(b) Purchase of stock-in-trade	68	454	10,348	522	16,482	18,124	
(c) Changes in inventories of finished goods and stock-in-trade	245	(180)	719	65	1,307	2,507	
(d) Other direct expense	1,497	1,377	4,716	2,874	7,009	11,814	
(e) Employee benefits expense	624	901	2,191	1,525	4,598	8,049	
(f) Finance costs	313	563	1,525	876	3,109	5,235	
(g) Depreciation and amortisation expense	54	55	116	109	254	427	
(h) Other expenses	2,722	2,554	3,010	5,276	5,064	19,921	
<b>Total expenses</b>	<b>5,523</b>	<b>5,724</b>	<b>22,625</b>	<b>11,247</b>	<b>37,823</b>	<b>66,077</b>	
<b>3 Loss before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(2,078)</b>	<b>(2,145)</b>	<b>(8,371)</b>	<b>(4,223)</b>	<b>(12,057)</b>	<b>(19,475)</b>	
4 Exceptional items gain (Refer note 3)	3,385	6,203	-	9,588	-	-	
<b>5 Profit/(Loss) before tax from continuing operations (3 + 4)</b>	<b>1,307</b>	<b>4,058</b>	<b>(8,371)</b>	<b>5,365</b>	<b>(12,057)</b>	<b>(19,475)</b>	
6 Tax expense / (credit)	-	-	-	-	-	198	
(a) Current tax	-	-	-	-	-	-	
(b) Deferred tax expense	-	-	-	-	-	-	
<b>7 Profit/(Loss) for the period from continuing operations (5 - 6)</b>	<b>1,307</b>	<b>4,058</b>	<b>(8,371)</b>	<b>5,365</b>	<b>(12,057)</b>	<b>(19,673)</b>	
8 Profit / (loss) before tax from discontinued operations	-	-	-	-	-	-	
9 Profit / (loss) on disposal of discontinued operations	-	-	-	-	-	-	
10 Tax expense / (credit) of discontinued operations	-	-	-	-	-	-	
<b>11 Net Profit / (loss) for the period from discontinued operations (8 + 9 - 10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>12 Net Profit/ (Loss) for the period (7+ 11)</b>	<b>1,307</b>	<b>4,058</b>	<b>(8,371)</b>	<b>5,365</b>	<b>(12,057)</b>	<b>(19,673)</b>	
13 Other comprehensive income	-	-	-	-	-	(21)	
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	35	21	16	56	32	(99)	
(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>35</b>	<b>21</b>	<b>16</b>	<b>56</b>	<b>32</b>	<b>(120)</b>	
<b>14 Total comprehensive income for the period (12 + 13)</b>	<b>1,342</b>	<b>4,079</b>	<b>(8,355)</b>	<b>5,421</b>	<b>(12,025)</b>	<b>(19,793)</b>	
15 Net Profit/(Loss) attributable to:							
- Shareholders	1,307	4,058	(8,371)	5,365	(12,057)	(19,673)	
- Non-controlling interests	-	(0)	(0)	(0)	(0)	(0)	
Total comprehensive income attributable to:							
- Shareholders	1,342	4,079	(8,355)	5,421	(12,025)	(19,793)	
- Non-controlling interests	-	(0)	(0)	(0)	(0)	(0)	
16 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584	
17 Reserve as per balance sheet of previous accounting year	-	-	-	(25,170)	-	(30,591)	
18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):							
(a) Basic	0.40	1.23	(2.54)	1.63	(3.66)	(5.98)	
(b) Diluted	0.40	1.23	(2.54)	1.63	(3.66)	(5.98)	
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	0.40	1.23	(2.54)	1.63	(3.66)	(5.98)	
(b) Diluted	0.40	1.23	(2.54)	1.63	(3.66)	(5.98)	

Consolidated Balance Sheet			(Rs. In Lakhs)
Particulars	Consolidated		
	As at	As at	
	30.09.2021	31.03.2021	
	(Unaudited)	(Audited)	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	1,286	3,518	
Right of use assets	17	28	
Capital work-in-progress	5	16	
Other intangible assets	6	8	
Financial assets			
i. Other financial assets	2,588	3,970	
Advance income tax asset (net)	4,723	8,641	
Other non-current assets	16,366	17,580	
<b>Total non-current assets</b>	<b>24,991</b>	<b>33,761</b>	
<b>Current assets</b>			
Inventories	219	284	
Financial assets			
i. Trade receivables	6,248	8,686	
ii. Cash and cash equivalents	6,740	3,882	
iii. Bank balances other than (ii) above	5,887	567	
iv. Other financial assets	745	1,137	
Other current assets	13,996	15,100	
Assets held for sale	1,099	1,505	
<b>Total Current Assets</b>	<b>34,934</b>	<b>31,161</b>	
<b>Total assets</b>	<b>59,925</b>	<b>64,922</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6,584	6,584	
Other equity	(25,170)	(30,591)	
Non-controlling interests	(0)	(0)	
<b>Total equity</b>	<b>(18,686)</b>	<b>(24,007)</b>	
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	3,703	5,903	
ii. Lease obligation	17	28	
Provisions	184	212	
Deferred tax liabilities (net)	-	-	
<b>Total non-current liabilities</b>	<b>3,904</b>	<b>6,143</b>	
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	40,723	47,822	
ii. Trade payables	10,861	13,510	
iii. Other financial liabilities	1,115	1,834	
Other current liabilities	17,704	14,277	
Provisions	4,204	5,343	
Current tax liabilities (net)	-	-	
<b>Total current liabilities</b>	<b>74,607</b>	<b>82,786</b>	
<b>Total liabilities</b>	<b>78,511</b>	<b>88,929</b>	
<b>Total equity and liabilities</b>	<b>59,925</b>	<b>64,922</b>	

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Segment-wise information

Particulars	Three months ended			Year to date		Year end
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
- Hardware Products and Solutions	1,489	2,461	2,420	3,950	6,037	13,537
- Distribution	65	300	10,737	365	17,689	21,738
- Learning	-	-	-	-	-	-
Total	1,554	2,761	13,157	4,315	23,726	35,275
Less : Intersegment revenue	-	-	-	-	-	-
<b>Revenue from operations</b>	<b>1,554</b>	<b>2,761</b>	<b>13,157</b>	<b>4,315</b>	<b>23,726</b>	<b>35,275</b>
<b>2. Segment results (profit / (loss) before tax and interest from each segment)</b>						
- Hardware Products and Solutions	(1,117)	(851)	(4,149)	(1,968)	(4,522)	(8,218)
- Distribution	149	(112)	(1,988)	37	(3,266)	(3,439)
- Learning	(177)	(1)	(18)	(18)	(1)	118
Total	(985)	(964)	(6,155)	(1,949)	(7,789)	(11,539)
Less :						
i) Interest expense	313	563	1,525	876	3,109	5,235
ii) Other un-allocable expenditure net off un-allocable (income)	(2,605)	(5,585)	691	(8,190)	1,159	2,701
<b>Total Profit / (Loss) before tax</b>	<b>1,307</b>	<b>4,058</b>	<b>(8,371)</b>	<b>5,365</b>	<b>(12,057)</b>	<b>(19,475)</b>
<b>3. Segment Assets</b>						
- Hardware Products and Solutions	20,067	22,161	38,186	20,067	38,186	28,161
- Distribution	12,465	13,356	21,520	12,465	21,520	14,096
- Learning	86	131	234	86	234	192
- Unallocated	27,307	29,521	27,979	27,307	27,979	22,473
<b>Total Assets</b>	<b>59,925</b>	<b>65,169</b>	<b>87,919</b>	<b>59,925</b>	<b>87,919</b>	<b>64,922</b>
<b>4. Segment Liabilities</b>						
- Hardware Products and Solutions	25,200	27,173	32,946	25,200	32,946	26,486
- Distribution	3,146	3,308	11,724	3,146	11,724	4,204
- Learning	134	133	396	134	396	130
- Unallocated	50,031	54,481	59,092	50,031	59,092	58,109
<b>Total Liabilities</b>	<b>78,511</b>	<b>85,095</b>	<b>1,04,158</b>	<b>78,511</b>	<b>1,04,158</b>	<b>88,929</b>

Notes

- After recommendation by the Audit Committee, these results have been approved and taken on record by the Board of Directors at its meeting held on November 02, 2021. The statutory auditors have issued review report with unmodified opinion on these results.
- As at September 30, 2021, the Group has accumulated losses and its net worth has been fully eroded, though the Group has earned net profit of Rs. 5,365 Lakhs during the period ended September 30, 2021 (March 31, 2021: Rs. net loss of Rs. 19,673 Lakhs) and the Group's current liabilities exceeded its current assets by Rs 39,673 lakhs for the period ended September 30, 2021 (March 31, 2021 - Rs. 51,625 Lakhs). The losses are primarily as a result of delayed receipts on certain system integration contracts, certain historical low margin contracts, slow-down of distribution businesses and finance costs. The management of HCL Infosystems Limited (Parent Company), is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 6), sale of certain non-core properties (refer note 4) 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 INR 25,000 lakh and interest free unsecured loans of INR 35,500 lakh to the Parent Company out of total authorized limit of Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Parent 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		Year end
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gain on sale of property, plant and equipments (Refer Note No. 4)	3,385	6,203	-	9,588	-	-
<b>Total gain</b>	<b>3,385</b>	<b>6,203</b>	<b>-</b>	<b>9,588</b>	<b>-</b>	<b>-</b>

- In order to reduce Group's debt obligations, the Group has decided to monetize Group owned properties in a phased manner. Several of Group's properties are not being fully utilized due to changes in the business of the Group, therefore during the quarter ended, June 30, 2021, the Group has disposed three properties located in Mohali, Sector-11 Noida and Sederapet, having net carrying amount of Rs.1,407 Lakhs, for a consideration of Rs. 7,610 Lakhs, resulting an overall gain of Rs. 6,203 Lakhs. (quarter and year ended March 31, 2021: Nil). During the quarter ended September 30, 2021, the Group has disposed two properties located in Hyderabad, having net carrying value Rs 1,202 Lakhs for a consideration of Rs 4,584 Lakhs, resulting an overall gain of Rs 3,385 Lakhs
- The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. An application was filed before the Hon'ble National Company Law Tribunal (NCLT) at New Delhi Bench on 21 September 2020 for obtaining the sanction of NCLT on the proposed merger. Pursuant to the directions of the Hon'ble NCLT, a meeting of the Equity Shareholders and Unsecured Creditors of the Company will be held on 30th November, 2021. Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results.
- In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Group, the Distribution businesses of the Group were not financially sustainable. Consequently, the Board recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down during the previous financial year.
- 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.1,321 Lakhs, for the quarter and period ended September 30, 2021 (Nil for the three month ended June 30 2021, Nil for the period ended September 30, 2020 and Rs 7,118.17 Lakhs for the year ended March 2021), on account of write 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 Rs. 873.78 Lakhs, in the Statement of Profit and Loss, for the quarter and period ended September 30,2021 (Nil for the three month ended June 30 2021, Nil for the period ended September 30, 2020 and Rs. 9,013.91 Lakhs for the year ended March 2021) on account of provision for certain receivable balances.

9. HCL Infosystems Limited (the Company) was appointed as the Managed Service Provider ("MSP") by Unique Identification Authority of India ("UIDAI") vide the contract dated 6 August 2012 to implement and manage the Central Identities Data Repository (CIDR). The said contract originally ended on 6 August 2019 and then was unilaterally extended by the UIDAI. The Company challenged this unilateral extension of the MSP contract by UIDAI before the Hon'ble Arbitral Tribunal. However, while the arbitration proceedings were pending, the Company was constrained to agree for an adhoc extension for a period of 9 months plus 3 months Knowledge Transfer Period after August 2019. Later, the Company and UIDAI entered into consent terms dated 5 May 2020 (which also formed part of the consent order dated 7 May 2020 passed by the Hon'ble Arbitral Tribunal) and the Company agreed to perform services for UIDAI subject to the terms and conditions of the consent terms. Thereafter, the Hon'ble Arbitral Tribunal on 19 June 2020 passed the liability award wherein it held that the extension of the MSP contract by UIDAI is not valid. As per the consent terms executed between UIDAI and the Company, the Company has completed performance of services as per the terms of the MSP Contract, without prejudice to its rights and contentions in the arbitration proceedings, till 6 April 2021 (including knowledge transfer period of 3 months) and the annual maintenance contract and software licenses for the period till 6 August 2021. As per consent terms signed by the both the parties, the Company raised invoices to UIDAI as per the rates originally agreed in the MSP contract though the Company is entitled to claim market rate for the services provided to UIDAI, the quantum of which shall be decided in the subsequent hearings of the Arbitration proceedings.

Pending determination of the current market value through arbitration, no revenue has been recognized by the Company for the difference in the expected current market value and the existing contract price which will be recognized once the same has been determined by the Hon'ble Arbitral Tribunal in the future. Further, the costs have been recognized based on the revised rates agreed during negotiations with the vendors completed during the previous financial year. This has resulted into recognition of Upfront loss of INR 2,440 lakhs during the previous financial year ended 31 March 2021.

- Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on November 13, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial results in the period in which the Code becomes effective and the related rules are published.
- 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, 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., Singapore & its step down subsidiary through a share purchase agreement. Unaudited net asset value of HCL Infotech Limited post this carve out, as on September 30, 2020 is Rs 14,700 Lakhs. The sale will be made to Novexo Consulting Pvt. Ltd based on the terms and conditions as specified in share purchase agreement dated February 10, 2021. One of the key customer of the company's defense project, which is forming part of the transaction has asked the company to novate the project to either HCL Infosystems Limited or a third party service provider acceptable to the customer, instead of transferring the said project as part of HCL Infotech Limited sale. The company is currently in discussion with the customer and some of the prospective third party service providers. This transaction is likely to take longer than expected with a change in terms, which will require ratification from shareholders.
- Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Group's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.
- Consolidated Results include financial results of HCL Infosystems Limited, HCL Infotech Limited, Digilife Distribution and Marketing Services Limited, HCL Learning Limited, HCL Investment Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE.
- A statement of cash flow is attached in Annexure A

for HCL Infosystems Limited

NIKHIL  
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Nikhil Sinha  
Chairperson

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Date : November 02, 2021

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## Consolidated Cash Flow Statement for six months ended September 30, 2021

(Rs. In Lakhs)

Particulars	Year to date		Year ended
	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Audited
<b>Cash Flow from Operating Activities<sup>^</sup>:</b>			
<b>Profit/(Loss) before tax from continuing and discontinued operations</b>	5,365	(12,057)	(19,475)
<b>Adjustments for:</b>			
Depreciation and amortisation expense	109	254	427
Finance cost	876	3,109	5,235
Interest income	(209)	(1,102)	(3,450)
Net profit on sale of property, plant and equipment	(9,608)	(2)	(27)
Property, plant and equipment written-off	-	-	40
Gain on foreign exchange fluctuation	(23)	(24)	17
Provision for doubtful debts	1,409	119	8,895
Provision for doubtful loans and advances and other current assets	509	68	98
Provisions/liabilities no longer required written back	(1,321)	(550)	(7,314)
Provision against Tax debit balances	645	-	2,257
<b>Operating loss before working capital changes</b>	<b>(2,248)</b>	<b>(10,185)</b>	<b>(13,297)</b>
<b>Changes in operating assets and liabilities</b>			
- Decrease in trade receivables	1,029	7,204	9,751
- Decrease in non-current assets	1,366	1,832	3,169
- Decrease in current assets	531	7,239	8,519
- Decrease in inventories	65	1,307	2,507
- Increase / (Decrease) in non current liabilities	(28)	101	(234)
- Increase / (Decrease) in current liabilities	365	(8,688)	(15,497)
<b>Cash flow from / (used in) operations</b>	<b>1,080</b>	<b>(1,190)</b>	<b>(5,082)</b>
- Taxes (paid) / received	3,918	1,212	3,607
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>4,998</b>	<b>22</b>	<b>(1,475)</b>
<b>Cash flow from investing activities<sup>^</sup>:</b>			
Payment for property, plant and equipment (including intangible assets)	(3)	4	(42)
Proceeds from sale of properties	12,164	265	325
Receipt of business consideration on sale of investment in subsidiaries	1,580	-	(5)
Redemption/(Investment) in bank deposits	(5,642)	-	1,603
Movement in margin money account	(28)	(43)	(95)
Interest received	75	162	257
<b>Net cash flow from investing activities (B)</b>	<b>8,147</b>	<b>388</b>	<b>2,043</b>
<b>Cash Flow from Financing Activities<sup>^</sup>:</b>			
Lease obligation paid	(11)	(108)	(133)
Proceeds from loans and borrowings	-	83,092	1,78,179
Repayment of loans and borrowings	(9,299)	(78,698)	(1,74,948)
Interest paid	(979)	(2,933)	(5,268)
Unclaimed deposit / dividend transferred to investor protection fund	-	(47)	(47)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(10,289)</b>	<b>1,306</b>	<b>(2,217)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,856</b>	<b>1,716</b>	<b>(1,649)</b>
Opening balance of cash and cash equivalents	3,882	5,526	5,526
Exchange difference on translation of foreign currency cash and cash equivalent	2	12	5
Effect of exchange differences on translation of foreign operations	-	(4)	-
<b>Closing balance of cash and cash equivalents</b>	<b>6,740</b>	<b>7,250</b>	<b>3,882</b>
<b>Cash and cash equivalents comprise of</b>			
Cash, cheques and drafts (on hand)	6	17	5
Balances with banks on current accounts	6,139	7,225	3,868
Balances with banks on deposits accounts	595	8	9


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# B S R & Associates LLP

Chartered Accountants

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To  
Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **HCL Infosystems Limited** (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 September 2021 and year to date results for the period from 01 April 2021 to 30 September 2021 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (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 SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of the following entities:

Parent entity

a) **HCL Infosystems Limited**

Subsidiaries

- a) HCL Infotech Limited
- b) Digilife Distribution and Marketing Services Limited
- c) HCL Learning Limited
- d) HCL Investment Pte. Limited
- e) Pimpri Chinchwad eServices Limited
- f) Nurture Technologies FZE

Registered Office:

## B S R & Associates LLP

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 accumulated losses though Group has earned profit of Rs. 5,365 lakhs during the six month ended 30 September 2021. Further its net worth is fully eroded and that the Group's current liabilities exceed its current assets as at 30 September 2021. 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 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. We draw attention to note 9 of the consolidated financial results for the quarter ended 30 September 2021, which states that Hon'ble Arbitral Tribunal has on 19 June 2020 passed a liability award in the arbitration proceedings filed by HCL Infosystems Limited in respect of the MSP contract against one of the major customers. As stated in the said note, the said liability award provides, inter alia, that HCL Infosystems Limited is entitled to receive the consideration for its services during the period covered by the consent terms (order dated 07 May 2020), i.e. from May 2020 to August 2021, at the current market value which will be decided through arbitration in due course. As further stated in the said note, pending this determination, no revenue is recognized for the difference in the expected current market value and the existing contract price for the services provided to the customer, which has also resulted into recognition of upfront loss of Rs 2,440 lakhs during the previous financial ended 31 March 2021 which may undergo a revision on finalization of current market value through arbitration in subsequent period.

Our opinion is not modified in respect of this matter

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8. The Statement includes the interim financial results of 3 subsidiaries which have not been reviewed, whose interim financial results reflect total assets (before consolidation adjustments) of Rs 4,964 lakh as at 30 September 2021 and total revenue (before consolidation adjustments) of Rs. 11 lakh and Rs 14 lakh, total net loss (before consolidation adjustments) after tax of Rs.23 lakh and Rs.39 lakh and total comprehensive income of Rs.35 lakh and Rs.56 lakh for the quarter ended 30 September 2021 and for the period from 01 April 2021 to 30 September 2021, respectively, and cash flows (net) of (Rs.571 lakh) for the period from 01 April 2021 to 30 September 2021, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

*For B S R & Associates LLP*

*Chartered Accountants*

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

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signed by  
GIRISH ARORA  
**AROR** Date:  
2021.11.02  
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**Girish Arora**

*Partner*

Membership No: 098652

UDIN: 21098652AAAACE9906

Place: New Delhi

Date: 02 November 2021