

**8<sup>th</sup> August, 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: Board Meeting – Standalone and Consolidated Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2024**

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

Dear Sirs,

This is further to our letter dated 1<sup>st</sup> August, 2024 on the above subject.

1. The Board of Directors has approved Unaudited Financial Results of the Company on standalone and consolidated basis for the quarter ended 30<sup>th</sup> June, 2024, duly reviewed and recommended by the Accounts and Audit Committee at the meeting held today i.e., 8<sup>th</sup> August, 2024. (As enclosed)
2. Limited Review Report on the aforesaid un-audited standalone and consolidated financial results are also enclosed. Further, we wish to state that the said Reports are with unmodified opinion.

The meeting of the Board of Directors commenced at 12:15 P.M. and concluded at 4:30 P.M.

We are arranging to publish the results in the newspapers.

Please acknowledge receipt.

Very Truly Yours,  
**For HCL Infosystems Limited**

KOMAL Digitally signed  
by KOMAL  
BATHLA  
BATHLA Date: 2024.08.08  
16:30:38 +05'30'

**Komal Bathla**  
**Company Secretary & Compliance Officer**  
**Membership No. A41455**

**HCL INFOSYSTEMS LIMITED**  
**Unaudited Standalone financial results for the quarter ended June 30, 2024**  
 Regd. Off. 806, Siddharth, 96 Nehru Place, New Delhi 110019.  
 Corp. Off. A-11, First Floor, Sector -3 Noida, UP 201301,  
 CIN - L72200DL1986PLC023955  
 Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791  
 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 ended	
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited	Unaudited	Audited
<b>1 Income</b>				
Revenue from operations	120	94	128	475
Other income	128	571	209	1,309
<b>Total Income</b>	<b>248</b>	<b>665</b>	<b>337</b>	<b>1,784</b>
<b>2 Expenses</b>				
(a) Direct Expense	118	92	127	470
(b) Changes in inventories of stock-in-trade	-	-	-	-
(c) Employee benefits expense	152	154	151	601
(d) Finance costs	6	10	14	43
(e) Depreciation and amortization expense	11	12	14	53
(f) Legal, professional and consultancy charges	183	159	255	805
(g) Other expenses	189	235	404	1,059
<b>Total expenses</b>	<b>659</b>	<b>662</b>	<b>965</b>	<b>3,031</b>
<b>3 Profit/(Loss) before exceptional items and tax (1 - 2)</b>	<b>(411)</b>	<b>3</b>	<b>(628)</b>	<b>(1,247)</b>
4 Exceptional items gain/(loss) (Refer note 2)	(1)	(538)	35	(308)
<b>5 Loss before tax (3 + 4)</b>	<b>(412)</b>	<b>(535)</b>	<b>(593)</b>	<b>(1,555)</b>
6 Tax expense				
(a) Current tax	-	-	-	-
(b) Deferred tax	-	-	-	-
<b>7 Loss for the period (5 - 6)</b>	<b>(412)</b>	<b>(535)</b>	<b>(593)</b>	<b>(1,555)</b>
8 Other comprehensive income				
A (i) Items that will not be reclassified to profit and loss	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit and loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
<b>Total other comprehensive income, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9 Total comprehensive loss for the period (7 + 8)</b>	<b>(412)</b>	<b>(535)</b>	<b>(593)</b>	<b>(1,555)</b>
10 Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584
11 Reserve as per balance sheet of previous accounting year				(33,654)
12 Earnings per share (of Rs. 2/- each) (not annualised):				
(a) Basic	(0.13)	(0.16)	(0.18)	(0.47)
(b) Diluted	(0.13)	(0.16)	(0.18)	(0.47)

**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 August 08, 2024. The statutory auditors have issued unmodified review report on these results.

**2. Exceptional items include :**

Particulars	(Rs. In Lakhs)			
	Three months ended		Year ended	
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited	Unaudited	Audited
a. Gain on sale of property, plant and equipment (Refer note no 7)	-	-	-	1,196
b. Reversal/(Provision) for loss in subsidiary #	(1)	(538)	35	(1,504)
<b>Total Gain / (Loss) - (a+b)</b>	<b>(1)</b>	<b>(538)</b>	<b>35</b>	<b>(308)</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 Rs. 412 lakhs, during the current quarter (three months ended March 31, 2024: net loss Rs 535 lakhs and year ended March 31, 2024: net loss Rs.1,555 lakhs) and the Company's current liabilities exceeded its current assets by Rs. 43,064 lakhs (March 31, 2024: Rs. 42,557 lakhs) as at June 30, 2024. The losses are primarily a result of delayed receipts on certain system integration contracts, historical low margin contracts, large litigations and their costs which are at different stages of progression.

The management of the Company, has been pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (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 Rs. 33,035 lakhs and interest free unsecured loans of Rs. 35,500 lakhs to HCL Infosystems Limited out of total authorized limit of Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the management and the Board of Directors have a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, these standalone financial results have been prepared on a going concern basis.

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

6. 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. 5 Lakhs for the quarter ended June 30, 2024, Rs. 463 Lakhs for the quarter ended March 31, 2024, Nil for the quarter ended June 30, 2023 and Rs. 661 Lakhs for the year ended March 31, 2024, on account of write back of certain old payables and provisions.

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

8. 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.

9. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2024 and the unaudited published year-to-date figures upto December 31, 2023 being the date of the end of the third quarter of the financial year which were subjected to a limited review.



By order of the Board  
for HCL Infosystems Limited

*Ritu Arora*

Ritu Arora  
Director

Place : Gurugram  
Date : August 08, 2024

# B S R & Associates LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India  
Tel: +91 124 719 1000  
Fax: +91 124 235 8613

**Limited Review Report on unaudited standalone financial results of HCL Infosystems Limited for the quarter ended 30 June 2024 and year to date results for the period from 01 April 2024 to 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

## To the Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of HCL Infosystems Limited (hereinafter referred to as "the Company") for the quarter ended 30 June 2024 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Associates LLP

**Limited Review Report (Continued)**

**HCL Infosystems Limited**

6. We draw attention to note 3 of the statement, which states that the company has continuously made losses for past several years and its net worth is fully eroded. Further, the Company's current liabilities exceed its current assets as at 30 June 2024 by Rs. 43,064 lakhs (31 March 2024: Rs 42,557 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 realize its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 3, including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the statement on a going concern basis.

Our conclusion is not modified in respect of this matter.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231WW-100024

**Girish Arora**

*Partner*

Membership No.: 098652

UDIN:24098652BKAGJC5731



New Delhi  
08 August 2024

(Rs. in Lakhs)

Particulars	Consolidated			
	Three months ended		Year ended	
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited	Unaudited	Audited
<b>1 Income</b>				
Revenue from operations	747	672	1,130	3,217
Other income	633	825	542	2,982
<b>Total Income</b>	<b>1,380</b>	<b>1,497</b>	<b>1,672</b>	<b>6,199</b>
<b>2 Expenses</b>				
(a) Direct expenses	218	195	534	1,303
(b) Changes in inventories of stock-in-trade	5	(2)	2	2
(c) Employee benefits expense	531	517	473	2,003
(d) Finance costs	4	3	15	37
(e) Depreciation and amortisation expense	11	12	14	54
(f) Legal, professional and consultancy charges	568	737	498	3,302
(g) Other expenses	455	582	725	2,276
<b>Total expenses</b>	<b>1,793</b>	<b>2,044</b>	<b>2,261</b>	<b>8,977</b>
<b>3 Loss before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(413)</b>	<b>(547)</b>	<b>(589)</b>	<b>(2,778)</b>
4 Exceptional items gain (Refer note 3)	-	-	-	1,196
<b>5 Loss before tax from continuing operations (3 + 4)</b>	<b>(413)</b>	<b>(547)</b>	<b>(589)</b>	<b>(1,582)</b>
6 Tax expense / (credit)				
(a) Current tax	-	6	-	6
(b) Deferred tax expense	-	-	-	-
<b>7 Loss for the period from continuing operations (5 - 6)</b>	<b>(413)</b>	<b>(553)</b>	<b>(589)</b>	<b>(1,588)</b>
8 Profit / (Loss) before tax from discontinued operations	-	-	-	-
9 Profit / (Loss) on disposal of discontinued operations	-	-	-	-
10 Tax expense / (credit) of discontinued operations	-	-	-	-
<b>11 Net loss for the period from discontinued operations (8 + 9 - 10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12 Net loss for the period (7+ 11)</b>	<b>(413)</b>	<b>(553)</b>	<b>(589)</b>	<b>(1,588)</b>
13 Other comprehensive income				
A (i) Items that will not be reclassified to profit and loss	-	(4)	-	(4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit and loss	(2)	(10)	3	9
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
<b>Total other comprehensive income, net of income tax</b>	<b>(2)</b>	<b>(14)</b>	<b>3</b>	<b>5</b>
<b>14 Total comprehensive loss for the period (12 + 13)</b>	<b>(415)</b>	<b>(567)</b>	<b>(586)</b>	<b>(1,583)</b>
15 Net loss attributable to:				
- Shareholders	(413)	(553)	(589)	(1,588)
- Non-controlling interests	-	-	-	-
Total comprehensive loss attributable to:				
- Shareholders	(415)	(567)	(586)	(1,583)
- Non-controlling interests	-	-	-	-
16 Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584
17 Reserve as per balance sheet of previous accounting year	-	-	-	(33,516)
18 Earnings per share for continuing operations (of Rs. 2/- each) (not annualised):				
(a) Basic	(0.13)	(0.17)	(0.18)	(0.48)
(b) Diluted	(0.13)	(0.17)	(0.18)	(0.48)
19 Earnings per share for discontinued operations (of Rs. 2/- each) (not annualised):				
(a) Basic	-	-	-	-
(b) Diluted	-	-	-	-
20 Earnings per share for discontinued & continuing operations (of Rs. 2/- each) (not annualised):				
(a) Basic	(0.13)	(0.17)	(0.18)	(0.48)
(b) Diluted	(0.13)	(0.17)	(0.18)	(0.48)

Notes:

1. Consolidated results include financial results of HCL Infosystems Limited (hereinafter referred to as "the Parent"), HCL Infotech Limited, HCL Investments Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE (hereinafter together referred to as "the Group"). These results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 08, 2024. The statutory auditors have issued unmodified review report on these results.

2. For past several years, the Group has continuously made losses and its net worth has been fully eroded. Further the Group has incurred a net loss of Rs. 413 lakhs during the current year (three months ended March 31, 2024: net loss Rs 553 lakhs and year ended March 31, 2024: net loss of Rs. 1,588 lakhs) and the Group's current liabilities exceeded its current assets by Rs. 46,783 lakhs (March 31, 2024 - Rs. 51,748 lakhs) as at June 30, 2024. The management of the Group has been pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 5), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited has approved support in the form of corporate guarantees to banks of Rs. 33,035 lakhs and interest free unsecured loans of Rs. 35,500 lakhs to HCL Infosystems Limited out of total authorized limit of Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Group, vide their resolution dated September 14, 2017. Considering the above support, the Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

3. Exceptional items include:

Particulars	(Rs. in Lakhs)			
	Three months ended		Year ended	
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited	Unaudited	Audited
Gain on sale of properties, plant and equipment	-	-	-	1,196
<b>Total Gain (Refer Note No. 4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196</b>

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

5. Based on the report of the consulting firm appointed by the Board of Directors and the inputs of the management team, the Board in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the then financial position of the Group, the Distribution businesses of the Group were not financially sustainable. Consequently, as per the Board of Directors recommendation in order to limit future financial losses, the Enterprise and Consumer Distribution Business has been substantially scaled down.

6. Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties, the Group has credited its Statement of Profit and Loss with Rs. 222 Lakhs for the quarter ended June 30, 2024, Rs. 431 Lakhs for the quarter ended March 31, 2024, Rs. 21 Lakhs for the quarter ended June 30, 2023 and Rs. 1,197 Lakhs for the year ended March 31, 2024, on account of write back of certain old payables and provisions.



7. HCL Infosystems Limited was awarded the order for supply, installation and commissioning of communication infrastructure, on turnkey basis, for CWG (Commonwealth Games) and later the work of re-deployment of equipment in MTNL's network in Delhi and Mumbai was also included. Disputes arose between both the parties with regard to completion of the project and Arbitration proceedings were initiated by HCL Infosystems Limited to recover the pending amount. In August 2014, the Arbitral Tribunal passed an Award in favour of HCL Infosystems Limited, whereby allowing majority of its claim and dismissing all the counter-claims of MTNL. MTNL challenged the Award before the High Court of Delhi and the same was dismissed. MTNL filed an Appeal before the Division Bench of the High Court challenging the said dismissal, wherein during the March 2016, the MTNL was directed to deposit a total sum of Rs. 9,130 Lakhs (Rs. 8,035 Lakhs principal and Rs. 1,095 Lakhs interest) with the Court in the form of a Fixed Deposit. This contract was part of Hardware Solutions business transferred to HCL Infotech Limited under Scheme of Arrangement in 2013. HCL Infotech Limited filed an application for release of the aforesaid Fixed Deposit (including accumulated interest accrued thereon till date of release of Rs. 4,307 Lakhs including TDS) of Rs. 12,342 Lakhs. Accordingly, the same has been released on adhoc basis vide order of the Hon'ble High Court of Delhi dated September 28, 2022 against a Bank Guarantee which is backed by Corporate Guarantee provided by HCL Corporation Limited on behalf of HCL Infotech Limited.

As part of issuance of Optionally Convertible Debentures (OCDs), HCL Infotech Limited has transferred its rights to receive cash flows from MTNL to the HCL Infosystems Limited and as per the terms of OCDs, cash collected shall be utilized to redeem OCDs. However, since MTNL's Appeal is sub-judice (pending disposal) before the Division Bench of the High Court, amount has not been utilized for redemption of OCDs and shown as amount collected under litigation as a part of current liabilities in the financial statement of HCL Infotech Limited.

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

9. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2024 and the unaudited published year-to-date figures upto December 31, 2023 being the date of the end of the third quarter of the financial year which were subjected to a limited review.



for HCL Infosystems Limited

*Ritu Arora*  
Ritu Arora  
Director

Place : Gurugram  
Date : August 08, 2024

# B S R & Associates LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India  
Tel: +91 124 719 1000  
Fax: +91 124 235 8613

## Limited Review Report on unaudited consolidated financial results of HCL Infosystems Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of HCL Infosystems Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 June 2024 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.  
We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of the:  
Parent Entity  
a) HCL Infosystems Limited  
Subsidiaries  
a) HCL Infotech Limited  
b) HCL Investment Pte. Limited  
c) Pimpri Chinchwad eservices Limited  
d) Nurture Technologies FZE
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Limited Review Report (Continued)

HCL Infosystems Limited

6. 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.
7. We draw attention to note 2 of the consolidated financial results, which states that the Group has continuously made losses for past several years and its net worth is fully eroded. Further, the company's current liabilities exceed its current assets as of 30 June 2024 by Rs. 46,783 lakhs (March 31, 2024 - Rs. 51,748 lakhs) as at June 30, 2024. 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 realize its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 2, including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Parent have a reasonable expectation that the Group will be able to operate as a going concern in the near future. Accordingly, management has prepared the consolidated financial results on a going concern basis.
- Our conclusion is not modified in respect of this matter.
8. The Statement includes the interim financial results of three Subsidiaries which have not been reviewed, whose interim financial results reflects total revenues (before consolidation adjustments) of Rs. Nil, total net (loss) after tax (before consolidation adjustments) of Rs. 0.34 lakh and total comprehensive loss (before consolidation adjustments) of Rs. 0.34 lakh for the quarter ended 30 June 2024, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

For B S R & Associates LLP

Chartered Accountants

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

Girish Arora

Partner

Membership No.: 098652

UDIN: 24098652BKAGJD4880



New Delhi

08 August 2024