

8th February 2023

To

The General Manager Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	The Vice President Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051
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Sub: Board Meeting - Standalone and Consolidated Unaudited Financial Results for the quarter ended 31st December, 2022

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

Dear Sirs,

This is further to our letter dated 1st February, 2023 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 31st December, 2022, duly reviewed and recommended by the Accounts and Audit Committee at the meeting held today i.e., 8th February, 2023. (As enclosed)
2. Limited Review Report on the aforesaid un-audited standalone and consolidated financial results are also enclosed. Further, we wish to state that the said Reports are with unmodified opinion.

The meeting of the Board of Directors commenced at 11:40 A.M. and concluded at 1:45 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 nine months ended December 31, 2022 (Rs. In Lakhs)

Particulars	Standalone					
	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
Unaudited	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited	Unaudited Refer Note 6	Audited Refer Note 6	
1 Income						
Revenue from operations	153	154	236	473	621	919
Other income	220	433	194	1,007	1,872	2,952
Total Income	373	587	430	1,480	2,493	3,871
2 Expenses						
(a) Cost of materials consumed	-	-	-	-	0	2
(b) Purchase of stock-in-trade/services	113	102	(98)	359	363	723
(c) Changes in inventories of stock-in-trade	(1)	-	-	(1)	53	51
(d) Employee benefits expense	209	236	185	672	532	668
(e) Finance costs	14	10	242	144	1,050	1,264
(f) Depreciation and amortization expense	16	14	19	44	117	135
(g) Legal, professional and consultancy charges	227	276	389	732	1,105	1,428
(h) Other expenses	462	581	546	1,563	2,689	4,361
Total expenses	1,040	1,219	1,283	3,513	5,909	8,632
3 Loss before exceptional items and tax (1 - 2)	(667)	(632)	(853)	(2,033)	(3,416)	(4,761)
4 Exceptional Items Profit/(Loss) (refer note 2)	(605)	(392)	134	(1,246)	8,010	7,314
5 Profit / (loss) before tax (3 - 4)	(1,272)	(1,024)	(719)	(3,279)	4,594	2,553
6 Tax expense						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax expense	-	-	-	-	-	-
7 Net Profit / (Loss) for the period (5 - 6)	(1,272)	(1,024)	(719)	(3,279)	4,594	2,553
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit or 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 or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income, net of income tax	-	-	-	-	-	(25)
9 Total comprehensive income for the period (7 + 8)	(1,272)	(1,024)	(719)	(3,279)	4,594	2,528
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	-	-	-	-	-	(28,264)
12 Earnings per share (of Rs 2/- each) (not annualised):						
(a) Basic	(0.39)	(0.31)	(0.22)	(1.00)	1.40	0.78
(b) Diluted	(0.39)	(0.31)	(0.22)	(1.00)	1.40	0.78

Notes

1. These results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 - Interim Financial Reporting 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 February 8, 2023. The statutory auditors have issued unmodified review report on these results.

2. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited Refer Note 6	Unaudited Refer Note 6	Unaudited	Unaudited Refer Note 6	Audited Refer Note 6
a. Reversal on sale of property, plant and equipments (Refer note no 9)	-	-	738	487	10,326	10,484
b. Reversal against loan given to subsidiary	-	-	91	-	2,222	2,222
c. Provision for loss in subsidiary#	(605)	(392)	(695)	(1,733)	(4,538)	(5,059)
d. Impairment of property	-	-	-	-	-	(333)
Total Profit / (loss) - (a+b+c+d)	(605)	(392)	134	(1,246)	8,010	7,314

The Company has made provision of Rs 605 Lakhs for the quarter ended December 31, 2022 (net off common cost allocation for service cost of Management, IT, Facility and Support functions of Rs 527 Lakhs) and Rs 392 Lakhs for the quarter ended September 30, 2022, Rs 695 Lakhs for the quarter ended December 31, 2021, Rs 1,733 Lakhs for the period ended December 31, 2022 (net off common cost allocation for service cost of Management, IT, Facility and Support functions of Rs 527 Lakhs), Rs 4,538 Lakhs for the period ended December 31, 2021 and Rs 5,059 Lakhs for the year ended March 31, 2022, on account of accumulated losses and erosion of net worth of HCL Infotech Limited, a wholly owned subsidiary. There is no impact of aforementioned "Provision for loss in subsidiary" on the consolidated results.

3. As at December 31, 2022, the Company has accumulated losses and its net worth has been fully eroded, and the Company's current liabilities exceeded its current assets by Rs. 43,405 Lakhs (March 31, 2022 - Rs. 39,045 Lakhs) as at December 31, 2022. 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, 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 Rs 33,000 Lakhs and interest free unsecured loans of Rs 35,500 Lakhs to the 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 December 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. 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 are the wholly-owned subsidiaries of the Transferee Company, there will be no consideration. 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". Accordingly, the comparative financial results have been restated to give effect of the Scheme. The impact of the scheme is not material on the standalone financial results of the company.

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 Nil for the quarter ended December 31, 2022 and Rs 318 Lakhs for the quarter ended September 30, 2022, Rs Nil for the quarter ended December 31, 2021, Rs 578 Lakhs for the period ended December 31, 2022, Rs 707 Lakhs for the period ended December 31, 2021 and Rs 1,228 Lakhs for the year ended March 31, 2022, on account of written 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 its Statement of Profit & Loss with Rs Nil for the quarter ended December 31, 2022 and Rs Nil for the quarter ended September 30, 2022, Rs Nil for the quarter ended December 31, 2021, Rs Nil for the period ended December 31, 2022, Rs 561 Lakhs for the period ended December 31, 2021 and 1,556 Lakhs for the year ended March 31, 2022 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 as a part of ongoing property monetisation plan, during the period ended, December 31, 2022, the Company has disposed three properties situated in Maharashtra, Pondicherry and West Bengal, having net carrying amount of Rs.377 Lakhs, for a consideration of Rs. 864 Lakhs, resulting an overall gain of Rs. 487 Lakhs (Rs Nil for the quarter ended December 31, 2022, Rs Nil for the quarter ended September 30, 2022, Rs 738 Lakhs for the quarter ended December 31, 2021, Rs 487 Lakhs for the period ended December 31, 2022, Rs 10,326 Lakhs for the period ended December 31, 2021 and Rs 10,151 Lakhs net off impairment loss of Rs 333 Lakhs for the year ended March 31, 2022).

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 & 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 Novezo 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 defence 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 exercise has resulted in a significant delay in closing the transaction sale of HCL Infotech to Novezo. Currently in addition, some of the terms of the Share Purchase Agreement are being renegotiated with Novezo and there are several unresolved issues. The revised Share Purchase Agreement which, if resolved, will be subject to approval of the Board and the Shareholders of the Company.

By order of the Board
for HCL Infosystems Limited

Place : Noida
Date : February 08, 2023

Nikhil Sinha
Chairperson

B S R & Associates LLP

Chartered Accountants

Building No.10,12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
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Limited Review Report on unaudited standalone financial results of HCL Infosystems Limited for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 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 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 3 of the statement, which states that the company has accumulated losses as at 31 December 2022. Further its net worth is fully eroded and that the Company's current liabilities exceed its current assets as at 31 December 2022. 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.

Limited Review Report (Continued)
HCL Infosystems Limited

However, based upon the measures as set forth in the note 3, including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the statement on a going concern basis.

Our conclusion is not modified in respect of this matter.

For **B S R & Associates LLP**

Chartered Accountants

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

Girish Arora

Partner

New Delhi

08 February 2023

Membership No.: 098652

UDIN:23098652BGYZLF4515

HCL INFOSYSTEMS LIMITED
Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022
 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 Fax +91 120 2523791
 Website www.hclinfosystems.in
 Email ID: cosec@hcl.com

Consolidated Statement of Profit and Loss for the quarter and nine months ended December 31, 2022 (Rs. In Lakhs)

Particulars	Consolidated					
	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
Revenue from operations	710	693	1,243	2,315	5,558	6,944
Other income	401	675	243	1,559	2,952	4,154
Total Income	1,111	1,368	1,486	3,874	8,510	11,098
2 Expenses						
(a) Cost of materials consumed	-	-	-	-	-	2
(b) Purchase of stock-in-trade/services	125	111	147	382	669	817
(c) Changes in inventories of stock-in-trade	(6)	3	3	(1)	68	232
(d) Other direct expense	317	175	562	781	3,436	3,517
(e) Employee benefits expense	497	527	634	1,572	2,159	2,667
(f) Finance costs	12	32	262	184	1,138	1,370
(g) Depreciation and amortisation expense	16	14	20	45	129	147
(h) Legal, professional and consultancy charges	795	678	828	2,095	2,395	3,241
(i) Other expenses	662	837	502	2,617	4,211	6,682
Total expenses	2,418	2,377	2,958	7,675	14,205	18,675
3 Loss before exceptional items and tax from continuing operations (1 - 2)	(1,307)	(1,009)	(1,472)	(3,801)	(5,695)	(7,577)
4 Exceptional Items Profit (Refer note 3)	-	-	738	487	10,326	10,151
5 Profit / (Loss) before tax from continuing operations (3 + 4)	(1,307)	(1,009)	(734)	(3,314)	4,631	2,574
6 Tax expense / (credit)	-	-	-	-	-	122
(a) Current tax	-	-	-	-	-	122
(b) Deferred tax expense	-	-	-	-	-	-
7 Profit / (Loss) for the period from continuing operations (5 - 6)	(1,307)	(1,009)	(734)	(3,314)	4,631	2,452
8 Profit / (Loss) before tax from discontinued operations	-	-	-	-	-	-
9 Profit / (Loss) on disposal of discontinued operations	-	-	-	-	-	-
10 Tax expense / (credit) of discontinued operations	-	-	-	-	-	-
11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)	-	-	-	-	-	-
12 Net Profit / (Loss) for the period (7+ 11)	(1,307)	(1,009)	(734)	(3,314)	4,631	2,452
13 Other comprehensive income						
A (i) Items that will not be reclassified to profit and loss	-	-	-	-	-	(41)
(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	36	(6)	-	31	56	86
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income, net of income tax	36	(6)	-	31	56	45
14 Total comprehensive income for the period (12 + 13)	(1,271)	(1,015)	(734)	(3,283)	4,687	2,497
15 Net Profit/(Loss) attributable to:						
- Shareholders	(1,307)	(1,009)	(734)	(3,314)	4,631	2,452
- Non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to:						
- Shareholders	(1,271)	(1,015)	(734)	(3,283)	4,687	2,497
- Non-controlling interests	-	-	-	-	-	(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	-	-	-	-	-	(28,095)
18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(0.40)	(0.31)	(0.22)	(1.01)	1.41	0.74
(b) Diluted	(0.40)	(0.31)	(0.22)	(1.01)	1.41	0.74
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)	(0.31)	(0.22)	(1.01)	1.41	0.74
(b) Diluted	(0.40)	(0.31)	(0.22)	(1.01)	1.41	0.74

Segment-wise information (Rs. In Lakhs)

Particulars	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
- Hardware Products and Solutions	562	554	1,038	1,875	4,988	6,096
- Distribution	148	139	205	440	570	848
- Learning	-	-	-	-	-	-
Total	710	693	1,243	2,315	5,558	6,944
Less : Intersegment revenue	-	-	-	-	-	-
Revenue from operations	710	693	1,243	2,315	5,558	6,944
2. Segment Results						
- Hardware Products and Solutions	(704)	(445)	(591)	(1,830)	(2,559)	(3,048)
- Distribution	(15)	35	(67)	126	(30)	245
- Learning	(5)	8	(2)	-	(20)	51
Total	(724)	(402)	(660)	(1,704)	(2,609)	(2,752)
Less :						
i) Interest expense	12	32	262	184	1,138	1,370
ii) Other un-allocable expenditure net off un-allocable (income)	571	575	(188)	1,426	(8,378)	(6,696)
Total Profit / (Loss) before tax	(1,307)	(1,009)	(734)	(3,314)	4,631	2,574
3. Segment Assets						
- Hardware Products and Solutions	20,167	20,968	20,158	20,167	20,158	17,026
- Distribution	10,701	10,708	10,122	10,701	10,122	10,078
- Learning	67	70	81	67	81	79
- Unallocated	17,244	16,069	23,901	17,244	23,901	21,942
Total Assets	48,179	47,815	54,262	48,179	54,262	49,125
4. Segment Liabilities						
- Hardware Products and Solutions	32,033	30,997	23,941	32,033	23,941	22,547
- Distribution	3,180	3,747	2,868	3,180	2,868	2,416
- Learning	49	45	133	49	133	59
- Unallocated	37,710	36,549	46,637	37,710	46,637	45,614
Total Liabilities	72,972	71,338	73,579	72,972	73,579	70,636

Notes

1. 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") 34 - Interim Financial Reporting 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 February 8, 2023. The statutory auditors have issued unmodified review report on these results.

2. As at December 31, 2022, the Group has accumulated losses and its net worth has been fully eroded, the Group's current liabilities exceeded its current assets by Rs 45,542 Lakhs as at December 31, 2022 (March 31, 2022 - Rs. 41,170 Lakhs). 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 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 Rs 33,000 Lakhs and interest free unsecured loans of Rs 35,500 Lakhs 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 December 14, 2017. Considering the above support, the Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

3. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gain on sale of property, plant and equipments	-	-	738	487	10,326	10,484
Impairment of property	-	-	-	-	-	(333)
Total Profit	-	-	738	487	10,326	10,151

4. 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 as a part of ongoing property monetisation plan, during the period ended, December 31, 2022, the Company has disposed three properties situated in Maharashtra, Pondicherry and West Bengal, having net carrying amount of Rs.377 Lakhs, for a consideration of Rs. 864 Lakhs, resulting an overall gain of Rs. 487 Lakhs. (Rs Nil for the quarter ended December 31, 2022, Rs Nil for the quarter ended September 30, 2022, Rs 738 Lakhs for the quarter ended December 31, 2021, Rs 487 Lakhs for the period ended December 31, 2022, Rs 10,326 Lakhs for the period ended December 31, 2021 and Rs 10,151 Lakhs net off impairment loss of Rs 333 Lakhs for the year ended March 31, 2022).

5. 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.

6. 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.

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 5 Lakhs for the quarter ended December 31, 2022, Rs 411 Lakhs for the quarter ended September 30, 2022, Rs Nil for the quarter ended December 31, 2021, Rs 707 Lakhs for the period ended December 31, 2022, Rs 1,321 Lakhs for the period ended December 31, 2021 and Rs 1,906 Lakhs for the year ended March 31, 2022, on account of written back of certain old payables and provisions.

8. 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 Nil Lakhs for the quarter ended December 31, 2022, Rs 106 Lakhs for the quarter ended September 30, 2022, Rs Nil Lakhs for the quarter ended December 31, 2021, Rs 254 Lakhs for the period ended December 31, 2022 and Rs 956 Lakhs for the period ended December 31, 2021 (Rs 2,141 Lakhs for the year ended March 31, 2022 with reversal of corresponding credit of Rs. 766 lakhs) 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. 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. 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. 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, and also stipulates that the Company is entitled to receive the consideration for its services during the period covered by the consent terms, i.e. from May 2020 to August 2021, at the current market value.

Pending determination of the current market value through arbitration, revenue is measured by the Company at existing contract price for the period May 2020 to August 2021. The differential revenue on the basis of current market value 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.

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 key customer of the company's defence 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 exercise has resulted in a significant delay in closing the transaction sale of HCL Infotech to Novezo. Currently in addition, some of the terms of the Share Purchase Agreement are being renegotiated with Novezo and there are several unresolved issues. The revised Share Purchase Agreement which, if resolved, will be subject to approval of the Board and the Shareholders of the Company.

for HCL Infosystems Limited

Place : Noida
Date : February 08, 2023

Nikhil Sinha
Chairperson

B S R & Associates LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of HCL Infosystems Limited for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 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 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the:

Parent Entity

a) HCL Infosystems Limited

Subsidiaries

a) HCL Infotech Limited

b) HCL Investment Pte. Limited

c) Pimpri Chinchwad eservices Limited

d) Nurture Technologies FZE

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Limited Review Report (Continued)

HCL Infosystems Limited

6. We draw attention to note 2 of the consolidated financial results, which states that the Group has accumulated losses as at 31 December 2022. Further its net worth is fully eroded and that the Group's current liabilities exceed its current assets as at 31 December 2022. 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 and year to date ended 31 December 2022, 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 Managed Service Provider ("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 recognized for the difference in the expected current market value and the existing contract price for the services provided to the customer from May 2020 to August 2021.

Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial results of 3 Subsidiaries which have not been reviewed, whose interim financial results reflects total revenues (before consolidation adjustments) of Rs. Nil and Rs. Nil, total net loss (before consolidation adjustments) after tax of Rs. 35 lakh and Rs. 34 lakh and total comprehensive loss of Rs. Nil and Rs 4 lakh, for the quarter ended 31 December 2022 and for the period from 1 April 2022 to 31 December 2022 respectively, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

For B S R & Associates LLP

Chartered Accountants

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

Girish Arora

Partner

New Delhi

08 February 2023

Membership No.: 098652

UDIN:23098652BGYZLG7958