

15th June, 2020

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: Audited Financial Results for the financial year ended 31st March, 2020 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 Sirs,

This is further to our letter dated 12th June, 2020 on the above subject.

In terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Audited Financial Results of the Company on standalone and consolidated basis for the financial year ended 31st March, 2020 which have been taken on record at the meeting of the Board of Directors of the Company held today i.e., 15th June, 2020.

Please note that vide SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, this time, no financial results will be published in any newspaper.

Please acknowledge receipt.

Very Truly Yours,
For HCL Infosystems Limited

Sushil Kumar Jain
Company Secretary & Compliance Officer

Encl: As above.

HCL INFOSYSTEMS LIMITED
Audited Financial Results for the quarter and year ended March 31, 2020
 Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
 CIN - L72200DL1986PLC023955
 Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791
 Website www.hclinfosystems.com
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Standalone Statement of Profit and Loss for the quarter and year ended March 31, 2020

(Rs. In Lakhs)

	Particulars	Standalone				
		Three months ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	
1	Income					
	Revenue from operations	18,736	38,880	81,622	164,813	358,132
	Other income	191	676	1,532	2,965	6,021
	Total Income	18,927	39,556	83,154	167,778	364,153
2	Expenses					
(a)	Cost of materials consumed	-	-	-	-	4
(b)	Purchase of stock-in-trade	17,768	34,587	46,679	154,799	325,220
(c)	Changes in inventories of stock-in-trade	2,332	2,669	31,732	6,105	19,301
(d)	Employee benefits expense	1,399	1,602	1,387	5,654	6,588
(e)	Finance costs	1,725	1,877	2,402	8,427	10,337
(f)	Depreciation and amortization expense	147	164	181	741	838
(g)	Other expenses	1,915	2,041	2,266	7,370	9,176
	Total expenses	25,286	42,940	84,647	183,096	371,464
3	Loss before exceptional items and tax (1 - 2)	(6,359)	(3,384)	(1,493)	(15,318)	(7,311)
4	Exceptional items loss (Refer note 4)	(4,072)	(4,356)	(9,140)	(10,171)	(13,323)
5	Loss before tax (3 + 4)	(10,431)	(7,740)	(10,633)	(25,489)	(20,634)
6	Tax expense					
(a)	Current tax	-	-	-	-	-
(b)	Deferred tax expense	-	6,355	-	6,355	-
7	Net loss for the period (5 - 6)	(10,431)	(14,095)	(10,633)	(31,844)	(20,634)
8	Other comprehensive income					
A (i)	Items that will not be reclassified to profit or (loss)	(21)	-	(99)	(21)	(99)
(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	(21)	-	(99)	(21)	(99)
9	Total comprehensive income for the period (7 + 8)	(10,452)	(14,095)	(10,732)	(31,865)	(20,733)
10	Paid-up equity share capital (Face value per share of Rs. 2/- each)	6,584	6,584	6,584	6,584	6,584
11	Reserve as per balance sheet of previous accounting year				(10,566)	21,299
12	Earnings per share (of Rs 2/- each) (not annualized) :					
(a)	Basic	(3.17)	(4.28)	(3.23)	(9.67)	(6.27)
(b)	Diluted	(3.17)	(4.28)	(3.23)	(9.67)	(6.27)

Standalone Balance Sheet

(Rs. In Lakhs)

Particulars	Standalone	
	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	5,360	5,824
Right to use	84	-
Capital work-in-progress	-	4
Other intangible assets	36	94
Financial assets		
i. Investments	4	4
ii. Other financial assets	3,485	7,167
Deferred tax assets (net)	-	6,355
Advance income tax (net)	4,446	4,195
Other non-current assets	19,696	18,329
Total non-current assets	33,111	41,972
Current assets		
Inventories	2,424	8,530
Financial assets		
i. Trade receivables	15,838	37,955
ii. Cash and cash equivalents	3,756	3,899
iii. Bank balances other than (ii) above	2,222	11,631
iv. Loans	20,356	51,559
v. Others financial assets	3,433	7,272
Other current assets	4,643	5,502
Total current assets	52,672	126,348
Assets held for sale	-	1,426
Total assets	85,783	169,746
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,584	6,584
Other equity	(10,566)	21,299
Total equity	(3,982)	27,883
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	2,275	9,440
ii. Lease obligations	103	-
Provisions	227	602
Total non-current liabilities	2,605	10,042
Current liabilities		
Financial liabilities		
i. Borrowings	42,060	49,499
ii. Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	671	403
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	34,149	51,778
iii. Other financial liabilities	7,638	26,491
Other current liabilities	1,463	2,899
Provisions	1,179	751
Total current liabilities	87,160	131,821
Total liabilities	89,765	141,863
Total equity and liabilities	85,783	169,746

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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 June 15, 2020. The statutory auditors have issued review report with unmodified opinion on these results.
2. The amounts for the quarter ended March 31, 2020 and March 31, 2019 represent difference between the amounts as per audited year end accounts and the year to date results upto December 31, 2019 and December 31, 2018 respectively and which have been subjected to limited review.
3. As at March 31, 2020, the Company has accumulated losses and its net worth has been fully eroded, the Company has a net loss during the current and previous year and the Company's current liabilities exceeded its current assets by Rs. 34,488 lakhs (March 31, 2019 Rs. 5,473 lakhs) as at the balance sheet date. 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 Company's management is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 10), 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 issued a support letter (in the form of corporate guarantee or unsecured loan) to the Company to the extent of Rs. 50,000 lakhs. Considering the above support, the Company's management and the Board of Directors has 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, the standalone financial statements have been prepared on a going concern basis.

4. Exceptional items include :

(Rs. In Lakhs)

Particulars	Three months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	
a. Profit on sale of properties*	-	-	-	1,565	-
b. Impairment of investment in Digilife Distribution and Marketing Services Limited	-	-	(5,605)	-	(5,605)
c. Provision against loan given to subsidiaries	(4,072)	(4,356)	(3,535)	(11,736)	(7,882)
d. Gain on sale of investment in subsidiary	-	-	-	-	164
Total (a+b+c+d) - Profit / (Loss)	(4,072)	(4,356)	(9,140)	(10,171)	(13,323)

* Exceptional gain of Rs. 1,565 lakhs for the year ended 31.03.2020 represents profit on sale of properties situated at Plot No. 10, CTS No. 86 Lohegaon, Viman Nagar, Pune and G-8,9,10, Sector 3, and B-13,14 Sector 8, Noida location under property monetization plan, under which agreement to sale had been approved by Board on 13.05.2019 and 20.05.2019 respectively.

5. The operations and financial results of the company were marginally impacted due to shut down of company's operations across various locations w.e.f. March 23, 2020 as per the directives of both the Central and State Governments in the wake of COVID-19 pandemic. In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment (PPE), trade receivables and other balances recoverable. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing the estimates on the basis of available information in its assessment of impact thereof on its financial reporting. Based on aforesaid assessment, management believes that the Group will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as on March 31, 2020. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. 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 statements 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, 2019 had approved to sell the entire shareholding held by HCL Learning Limited (a Subsidiary of HCL Infosystems Limited) in HCL Insys Pte Ltd, Singapore (step subsidiary) after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited). The sale has been made to PCCW Solutions Ltd for a total consideration of Rs.30,335 lakhs. The transaction was completed on November 15, 2019.

7. As communicated earlier, pursuant to the approval by the Board of Directors of Company in its meeting held on January 31, 2018, the CARE business division has been transferred to QDigi Services Limited on March 31, 2018 and subsequently the entire shareholding of QDigi Services Limited has been divested to M/s Quess Corp Limited on April 11, 2018.

8. As communicated earlier, pursuant to the approval by the Board of Directors of Company in its meeting held on February 9, 2018 ,the Company has divested its investments (both Equity and Optionally Convertible Debentures(OCDE)) in HCL Services Limited to M/s Karvy Data Management Services Limited for a consideration of Rs 112.10 crore (Equity Rs 17.45 crore and OCDE Rs 94.65 crore, the consideration for OCDE is equivalent to the Income Tax refund and is receivable as and when the Tax refund is received by HCL Services Limited). The Company signed a Share Purchase Agreement on May 31, 2018 and the shareholding was divested on June 15, 2018.

This transaction excludes;

i) Care Business (divested to M/s Quess Corp Limited)

ii) IT & Facility unit (transferred to HCL Infosystems Limited)

iii) Investment in HCL Insys PTE Limited, Singapore including its subsidiaries (transferred to HCL Learning Limited)

9. As communicated earlier, pursuant to the approval by the Board of Directors of the Company in its meeting held on October 15, 2018, the entire shareholding held by Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE)(Step-down Subsidiary) in its direct subsidiaries Gibraltar Technologies LLC (Dubai), Gibraltar Technologies LLC (Abu Dhabi) and step-down subsidiary Gibraltar Technologies WLL (Qatar) has been transferred to consortium of individuals viz Mr. Ahmed Khalaf Ahmed Khalaf Al Otaiba, Mr. Syed Mohammed Bukhari, Mr. Khadeer Peer Shariff S S and Mr. Abdul Qadir Bukhari on November 27, 2018 for a consideration of AED 34 lakhs (approximately equivalent Rs 650 lakhs).

10. 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 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 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 be gradually scaled down over the next few quarters.

11. Financial result for all the period presented have been prepared in accordance with the Companies (Indian accounting standard rule 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.

12. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", using modified retrospective method. The Company has elected the practical expedients, which allows the Company not to reassess in prior conclusions about lease identification, lease classification and initial direct cost. The comparative information is not restated in the financial results for the current quarter and year to date period, the nature of expenses in respect of operating lease has changed from lease rent in previous period to depreciation cost for the right to use assets and finance cost for interest accrued on lease liability.

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

14. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period's classification.

By order of the Board
for HCL Infosystems Limited

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Chairman

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Place : Noida

Date : June 15, 2020

Standalone Cash Flow Statement for year ended March 31, 2020

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
	Audited	Audited
Cash Flow from Operating Activities:		
Loss before tax	(25,489)	(20,633)
Adjustments for:	-	-
Depreciation and amortisation expense	741	838
Finance cost	8,427	10,337
Interest income	(1,494)	(2,693)
Dividend income	-	(165)
Net profit on sale of properties	(1,574)	(3)
Property, plant and equipment written-off	12	-
Gain on sale of investment carried at FVTPL	-	(334)
Diminution other than temporary in the value of long term investment	-	5,605
Provision against inter Company deposits given to subsidiaries	11,736	7,883
Gain on foreign exchange fluctuation	(94)	(154)
Provision for doubtful debts	409	-
Provisions/liabilities no longer required written back	(195)	(418)
Operating profit / (loss) before working capital changes	(7,521)	263
Changes in operating assets and liabilities		
- Decrease in trade receivables	21,708	18,318
- Increase in non-current assets	(1,528)	(10,939)
- Decrease in current assets	5,014	2,654
- Decrease in inventories	6,106	19,327
- (Decrease) / increase in non current liabilities	(375)	146
- Decrease in current liabilities	(18,118)	(14,676)
Cash flow from operations	5,286	15,093
- Taxes paid (net)	(252)	(1,594)
Net cash generated from operating activities (A)	5,034	13,499
Cash flow from investing activities:		
Purchase of properties plant and equipment and intangible assets	(32)	(68)
Proceeds from sale of properties	2,991	55
Proceeds from sale of investments	-	11,053
Interest received	1,494	2,805
Redemption/maturity of bank deposits (net)	8,557	(10,421)
Movement in margin money account (net)	(355)	(12)
Movement in balances with banks on dividend account	12	50
Dividend received on investments	-	165
Inter corporate deposits given	(47,020)	(50,997)
Inter corporate deposits received back	66,562	59,338
Receipt of business consideration on sale of investment in subsidiaries	5,021	1,496
Net cash generated from investing activities (B)	37,230	13,464
Cash Flow from Financing Activities:		
Proceeds from loans and borrowings	178,543	127,492
Repayment of loans and borrowings	(212,040)	(144,904)
Lease obligation paid	(149)	-
Interest paid	(8,729)	(10,141)
Unclaimed dividend transferred to investor education and protection fund	(12)	(50)
Net cash used in financing activities (C)	(42,387)	(27,603)
Net decrease in cash and cash equivalents (A+B+C)	(123)	(640)
Opening balance of cash and cash equivalents	3,899	4,549
Exchange difference on translation of foreign currency cash and cash equivalent	(20)	(10)
Closing balance of cash and cash equivalents	3,756	3,899
Cash and cash equivalents comprise of:		
- Cash, cheques and drafts (on hand)	-	1,778
- Balances with banks on current accounts	3,756	2,121

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Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of HCL Infosystems Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of HCL Infosystems Limited (hereinafter referred to as the “Company”) for the year ended 31 March 2020 (“the Statement” or ‘standalone annual financial results’), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

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

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information for the year ended 31 March 2020.

Basis for Opinion

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

Material Uncertainty on Going Concern

We draw attention to note 3 of the Statement, which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has a net loss during the current and previous year and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in note 10, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. 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 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. Accordingly, management has prepared the financial statements on a going concern basis.

Our opinion is not modified in respect of this matter

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Associates LLP

Chartered Accountants

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

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Sandeep Batra

Partner

Membership No: 093320

ICAI UDIN:20093320AAAAAU6478

Place: New Delhi
Date: 15 June 2020

HCL INFOSYSTEMS LIMITED
Audited Financial Results for the quarter and year ended March 31, 2020
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Consolidated Statement of Profit and Loss for the quarter and year ended March 31, 2020 (Rs. In Lakhs)						
	Particulars	Consolidated				
		Three months ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	
1	Income					
	Revenue from operations	22,771	42,873	87,560	181,517	387,462
	Other income	2,596	912	2,758	7,678	10,122
	Total income	25,367	43,785	90,318	189,195	397,584
2	Expenses					
(a)	Cost of materials consumed	-	-	-	-	4
(b)	Purchase of stock-in-trade	18,062	34,578	48,147	155,906	339,019
(c)	Changes in inventories of stock-in-trade	2,362	2,751	33,504	6,760	20,354
(d)	Employee benefits expense	2,589	3,055	2,770	11,048	12,695
(e)	Finance costs	1,834	1,984	2,742	9,043	12,304
(f)	Depreciation and amortisation expense	166	173	266	880	1,208
(g)	Other expenses	6,920	8,898	8,178	29,592	29,061
	Total expenses	31,933	51,439	95,607	213,229	414,645
3	Loss before exceptional items and tax from continuing operations (1 - 2)	(6,566)	(7,654)	(5,289)	(24,034)	(17,061)
4	Exceptional Items gain / (loss) (Refer note 8)	(290)	-	-	1,275	-
5	Loss before tax from continuing operations (3 + 4)	(6,856)	(7,654)	(5,289)	(22,759)	(17,061)
6	Tax expense / (credit)					
(a)	Current tax	(33)	41	7	8	7
(b)	Deferred tax expense	187	6,022	292	6,209	292
7	Loss for the period from continuing operations (5 - 6)	(7,010)	(13,717)	(5,588)	(28,976)	(17,360)
8	Profit/(loss) before tax from discontinued operations (Refer note 3-6-7)	(66)	152	1,340	405	3,421
9	Profit on disposal of discontinued operations (Refer note 3-7)	45	15,031	-	15,076	959
10	Tax expense of discontinued operations (Refer note 3-6-7)	63	16	142	138	540
11	Net profit / (loss) for the period from discontinued operations (8 + 9 - 10)	(84)	15,167	1,198	15,343	3,840
12	Net profit / (loss) for the period (7+ 11)	(7,094)	1,450	(4,390)	(13,633)	(13,520)
13	Other comprehensive income					
A (i)	Items that will not be reclassified to profit or (loss)	(49)	-	(142)	(49)	(142)
(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)	29	420	(31)	461	543
(ii)	Income tax relating to items that will be reclassified to profit or (loss)	-	-	-	-	-
	Total other comprehensive income, net of income tax	(20)	420	(173)	412	401
14	Total comprehensive income for the period (12 + 13)	(7,114)	1,870	(4,563)	(13,221)	(13,119)
15	Net profit/(loss) attributable to:					
- Shareholders		(7,094)	1,450	(4,390)	(13,633)	(13,520)
- Non-controlling interests		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive income attributable to:						
- Shareholders		(7,114)	1,870	(4,563)	(13,221)	(13,119)
- Non-controlling interests		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
16	Paid-up equity share capital (Face value per share of Rs. 2/- each)	6,584	6,584	6,584	6,584	6,584
17	Reserve as per balance sheet of previous accounting year				(10,798)	3,831
18	Earnings per share for continuing operations (of Rs 2/- each) (not annualised) :					
(a) Basic		(2.13)	(4.17)	(1.70)	(8.80)	(5.27)
(b) Diluted		(2.13)	(4.17)	(1.70)	(8.80)	(5.27)
19	Earnings per share for discontinued operations (of Rs 2/- each) (not annualised) :					
(a) Basic		(0.03)	4.61	0.36	4.66	1.17
(b) Diluted		(0.03)	4.61	0.36	4.66	1.17
20	Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised) :					
(a) Basic		(2.16)	0.44	(1.33)	(4.14)	(4.11)
(b) Diluted		(2.16)	0.44	(1.33)	(4.14)	(4.11)

Consolidated Balance Sheet (Rs. In Lakhs)		
Particulars	Consolidated	
	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,362	8,030
Right to use assets	136	-
Other intangible assets	36	668
Goodwill	-	5,497
Capital work-in-progress	-	4
Financial assets		
i. Other financial assets	3,739	7,471
Deferred tax assets (net)	-	6,502
Advance income tax asset (net)	11,625	11,215
Other non-current assets	20,740	19,372
Total non-current assets	41,638	58,759
Current assets		
Inventories	2,791	9,551
Financial assets		
i. Trade receivables	19,394	56,944
ii. Cash and cash equivalents	5,526	9,042
iii. Bank balances other than (ii) above	2,310	14,920
iv. Other financial assets	6,073	10,838
Other current assets	26,698	38,245
Total current assets	62,792	139,540
Disposal group - assets held for sale	265	1,436
Total assets	104,695	199,735
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,584	6,584
Other equity	(10,798)	3,831
Non-controlling interests	(0.00)	(0.00)
Total equity	(4,214)	10,415
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	2,275	9,908
ii. Lease obligation	161	-
Provisions	446	788
Deferred tax liabilities (net)	-	544
Total non-current liabilities	2,882	11,240
Current liabilities		
Financial liabilities		
i. Borrowings	43,638	49,840
ii. Trade payables	34,729	67,948
iii. Other financial liabilities	7,391	33,504
Other current liabilities	15,834	21,739
Provisions	4,435	4,740
Current tax liabilities (net)	-	309
Total current liabilities	106,027	178,080
Total liabilities	108,909	189,320
Total equity and liabilities	104,695	199,735


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Segment-wise information*

(Rs. In Lakhs)

Particulars	Three months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	
1. Segment revenue					
- Hardware products and solutions	4,002	3,930	3,012	15,431	15,833
- Services	262	5,342	14,158	26,415	51,622
- Distribution	18,769	38,547	84,503	165,595	372,221
- Learning	-	392	295	537	1,045
Total	23,033	48,211	101,968	207,978	440,721
Less : Intersegment revenue	-	-	918	49	1,494
Revenue from operations	23,033	48,211	101,050	207,929	439,227
2. Segment results (profit / (loss) before tax and interest from each segment)					
- Hardware products and solutions	(259)	(4,389)	(3,808)	(7,952)	(7,312)
- Services	(64)	(191)	1,376	11	4,266
- Distribution	(4,132)	(1,110)	321	(6,023)	1,345
- Learning	(12)	351	434	670	1,062
Total	(4,467)	(5,339)	(1,677)	(13,294)	(639)
Less :					
i) Interest expense	1,834	1,987	2,742	9,062	12,431
ii) Other un-allocable expenditure net off un-allocable (income)	576	(14,855)	(470)	(15,078)	(389)
Total profit / (loss) before tax	(6,877)	7,529	(3,949)	(7,278)	(12,681)
3. Segment assets					
- Hardware products and solutions	36,462	45,767	58,165	36,462	58,165
- Services	-	-	23,691	-	23,691
- Distribution	37,928	58,459	69,470	37,928	69,470
- Learning	235	267	305	235	305
- Unallocated	30,070	30,994	48,104	30,070	48,104
Total assets	104,695	135,487	199,735	104,695	199,735
4. Segment liabilities					
- Hardware products and solutions	30,620	38,485	38,302	30,620	38,302
- Services	-	-	7,958	-	7,958
- Distribution	20,931	35,252	50,334	20,931	50,334
- Learning	449	427	615	449	615
- Unallocated	56,909	58,423	92,111	56,909	92,111
Total liabilities	108,909	132,587	189,320	108,909	189,320

* includes discontinued operations (refer note 3-6-7)

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 June 15, 2020. The statutory auditors have issued review report with unmodified opinion on these results.
- The amounts for the quarter ended March 31, 2020 and March 31, 2019 represent difference between the amounts as per audited year end accounts and the year to date results upto December 31, 2019 and December 31, 2018 respectively and which have been subjected to limited review.
- The Board of Directors of HCL Infosystems Limited in its meeting held on August 06, 2019 had approved to sell the entire shareholding held by HCL Learning Limited (a Subsidiary of HCL Infosystems Limited) in HCL Insys Pte Ltd, Singapore (step subsidiary) after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited). The sale has been made to PCCW Solutions Ltd for a total consideration of Rs.30,335 lakhs. The transaction was completed on November 15, 2019.

Accordingly, the business operations associated with these transactions have been considered as discontinued operations. The relevant information for all the period presented, attributable to these discontinued operations are as below.

Particulars	Three months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Total revenue (including Other income)	260	5,607	13,570	26,694	46,657
Total expenditure	326	5,455	12,230	26,289	43,541
Profit/ (loss) before tax	(66)	152	1,340	405	3,116
Tax expense	63	16	141	138	521
Profit/ (loss) after tax	(130)	136	1,199	266	2,595
Profit on disposal of discontinued operations	45	15,031	-	15,076	-

- As at March 31, 2020, the Group has accumulated losses and its net worth has been fully eroded, the Group has a net loss during the current and previous year and the Group's current liabilities exceeded its current assets by Rs 43,235 lakhs (2019 - Rs. 38,540 Lakhs) as at the balance sheet date. 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 Parent Company's management is pursuing strategies which include scale down of loss-making businesses like scaling down of the distribution business (refer note 9), 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 issued a support letter (in the form of corporate guarantee or unsecured loan) to the Company to the extent of Rs. 50,000 lakhs. 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 statements have been prepared on a going concern basis.
- The operations and financial results of the company were marginally impacted due to shut down of company's operations across various locations w.e.f. March 23, 2020 as per the directives of both the Central and State Governments in the wake of COVID-19 pandemic. In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment (PPE), trade receivables and other balances recoverable. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing the estimates on the basis of available information in its assessment of impact thereof on its financial reporting. Based on aforesaid assessment, management believes that the Group will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as on March 31, 2020. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. 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 statements as and when these material changes to economic conditions arise.

Place : Noida
Date : June 15, 2020

- As communicated earlier, pursuant to the approval by the Board of Directors of the Company in its meeting held on October 15, 2018, the entire shareholding held by Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE)(Step-down Subsidiary) in its direct subsidiaries Gibraltar Technologies LLC (Dubai), Gibraltar Technologies LLC (Abu Dhabi) and step-down subsidiary Gibraltar Technologies WLL (Qatar) has been transferred to consortium of individuals viz Mr. Ahmed Khalaf Ahmed Khalaf Al Otaiba, Mr. Syed Mohammed Bukhari, Mr. Khadeer Peer Shariff S S and Mr. Abdul Qadir Bukhari on November 27, 2018 for a consideration of AED 34 lakhs (approximately equivalent Rs 650 lakhs).

Accordingly the business operations associated with these transactions has been considered as discontinued operations. The relevant information for all the period presented, attributable to these discontinued operations are as below.

Particulars	Three months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	
Total revenue (including Other income)	-	-	-	-	2,169
Total expenditure	-	-	-	-	2,074
Profit/ (loss) before tax	-	-	-	-	95
Tax expense	-	-	-	-	18
Profit/ (loss) after tax	-	-	-	-	77

- As communicated earlier, pursuant to the approval by the Board of Directors of Company in its meeting held on January 31, 2018, the CARE business division has been transferred to QDigi Services Limited on March 31, 2018 and subsequently the entire shareholding of QDigi Services Limited has been divested to M/s Quess Corp Limited on April 11, 2018.

- As communicated earlier, pursuant to the approval by the Board of Directors of Company in its meeting held on February 9, 2018, the Company has divested its investments (both Equity and Optionally Convertible Debentures(OC)) in HCL Services Limited to M/s Karvy Data Management Services Limited for a consideration of Rs 112.10 crore (Equity Rs 17.45 crore and OCD Rs 94.65 crore, the consideration for OCD is equivalent to the Income Tax refund and is receivable as and when the Tax refund is received by HCL Services Limited). The Company signed a Share Purchase Agreement on May 31, 2018 and the shareholding was divested on June 15, 2018.

This transaction excludes;

- Care Business (divested to M/s Quess Corp Limited)
- IT & Facility unit (transferred to HCL Infosystems Limited)
- Investment in HCL Insys PTE Limited, Singapore including its subsidiaries (transferred to HCL Learning Limited)

- Pursuant to 6(a) & 6(b) above, Care Business & Domestic Enterprise Services Business has been considered as discontinued operations. The relevant information for all the period presented, attributable to these discontinued operations are as below.

Particulars	Three months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	
Total revenue (including other income)	-	-	-	-	3,116
Total expenditure	-	-	-	-	2,906
Profit before tax	-	-	-	-	210
Tax expense	-	-	-	-	-
Profit/ (loss) after tax	-	-	-	-	210
Profit on disposal of discontinued operations	-	-	-	-	959

- Exceptional items include :

Particulars	Three months ended			Year to date	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	
Profit on sale of properties*	-	-	-	1,565	-
Impairment of property	(290)	-	-	(290)	-
Total gain	(290)	-	-	1,275	-

* Exceptional gain of Rs.1,565 lakhs for year ended 31.03.2020 represents profit on sale of properties situated at Plot No. 10, CTS No. 86 Lohegaon, Viman Nagar, Pune and G-8,9,10, Sector 3, and B-13,14 Sector 8, Noida location under property monetization plan, under which agreement to sale had been approved by Board on 13.05.2019 and 20.05.2019 respectively.

- 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 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 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 be gradually scaled down over the next few quarters.

- Financial result for all the period presented have been prepared in accordance with the Companies (Indian accounting standard rule 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.

- Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", using modified retrospective method. The Group has elected the practical expedients, which allows the Group not to reassess in prior conclusions about lease identification, lease classification and initial direct cost. The comparative information is not restated in the financial results for the current quarter and year to date period, the nature of expenses in respect of operating lease has changed from lease rent in previous period to depreciation cost for the right to use assets and finance cost for interest accrued on lease liability.

- A consolidated statement of cash flow is attached in Annexure A

- Consolidated results include financial results of HCL Infosystems Limited, and its subsidiaries.

- Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period's classification.

By order of the Board
for HCL Infosystems Limited

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Nikhil Sinha
Chairman

Consolidated Statement of Cash Flow for year ended March 31, 2020

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
	Audited	Audited
Cash flow from operating activities^:		
Loss before tax from continuing and discontinued operations	(7,278)	(12,681)
Adjustments for:		
Depreciation and amortisation expense	1,813	2,194
Finance cost	9,062	12,431
Interest income	(3,474)	(5,814)
Dividend income	-	(174)
Net profit on sale of property, plant and equipment	(10)	(4)
Profit on disposal of discontinued operations	(15,076)	-
Profit on sale of properties	(1,565)	-
Impairment of property, plant and equipment	290	-
Property, plant and equipment written-off	12	-
Profit on disposal of unquoted (others) current investments	-	(335)
Gain on foreign exchange fluctuation	(148)	(173)
Provision for doubtful debts	10,972	6,027
Provision for doubtful loans and advances and other current assets	19	63
Provisions/liabilities no longer required written back	(2,669)	(1,051)
Operating profit before working capital changes	(8,052)	483
Changes in operating assets and liabilities		
- Decrease in trade receivables	18,905	73,669
- Increase in non-current assets	(1,278)	(3,322)
- Decrease / (increase) in current assets	18,772	(10,019)
- Decrease in inventories	6,760	21,811
- Increase / (decrease) in non current liabilities	147	(557)
- Decrease in current liabilities	(28,109)	(39,021)
Cash generated from operations	7,145	43,044
- Taxes (paid)/received (net of tax deducted at source)	(933)	1,019
Net cash generated from operating activities (A)	6,212	44,063
Cash flow from investing activities^:		
Proceeds from the sale of investment in subsidiary*	19,638	-
Payment for property, plant and equipment and intangible assets	(119)	(1,007)
Proceeds from sale of properties	2,991	70
Proceeds from sale of investments	-	12,557
Receipt of business consideration on sale of investment in subsidiaries	4,859	1,496
Investments in bank deposits	12,889	(12,676)
Movement in margin money account	(1,526)	(3)
Movement in balances with banks on dividend account	12	50
Dividend received on investments	-	174
Interest received	563	463
Net cash generated from investing activities (B)	39,307	1,124
Cash flow from financing activities^:		
Lease obligation paid	(177)	-
Proceeds from loans and borrowings	180,026	127,948
Repayment of loans and borrowings	(219,416)	(163,316)
Interest paid	(9,422)	(12,295)
Unclaimed dividend transferred to investor education and protection fund	(12)	(50)
Net cash used in financing activities (C)	(49,001)	(47,713)
Net decrease in cash and cash equivalents (A+B+C)	(3,482)	(2,526)
Opening balance of cash and cash equivalents	9,042	11,582
Exchange difference on translation of foreign currency cash and cash equivalent	(4)	(14)
Effect of exchange differences on translation of foreign operations	(30)	-
Closing balance of cash and cash equivalents	5,526	9,042
Cash and cash equivalents comprise of		
Cash, cheques and drafts (on hand)	15	1,785
Balances with banks on current accounts	5,501	6,524
Balances with banks on deposits accounts	10	733

* Amount represents proceeds from sale of investment in subsidiary for a total consideration of Rs. 30,335 lakhs. Net cash inflow of Rs. 19,638 lakhs is after adjusting Rs. 9,820 lakhs of cash and cash equivalent balances in the book of subsidiary and Rs. 877 lakhs expenditure incurred on the sale transaction.

^Net cash flow attributable to the operating, investing and financing activities of discontinued operations is presented below:

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
	Audited	Audited
Operating activities	4,489.84	801.00
Investing activities	(198.25)	(935.43)
Financing activities	(222.21)	-

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Independent Auditor's Report

To the Board of Directors of HCL Infosystems Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of HCL Infosystems Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”) for the year ended 31 March 2020 (“the Statement” or “consolidated annual financial results”), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

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

- a. include the annual financial results of the following entities:

Parent Entity

- i. HCL Infosystems Limited

Subsidiaries

- i. HCL Infotech Limited
ii. Digilife Distribution and Marketing Services Limited
iii. HCL Learning Limited
iv. HCL Insys Pte. Limited (ceased to be a subsidiary with effect from 15 November 2019)
v. HCL Investment Pte. Limited
vi. Pimpri Chinchwad eServices Limited
vii. Nurture Technologies FZE

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued

by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Material Uncertainty on Going Concern

We draw attention to note 4 of the Statement, which indicates that the Group has accumulated losses and its net worth has been fully eroded, and that, the Group has a net loss during the current and previous year and the Group's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in note 9, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, based upon strategic and operational measures as set forth in note 4 including necessary financial support from a significant promoter shareholder, the management and the Board of Directors of the Parent Company 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 near future in the normal course of business. Accordingly, management has prepared the consolidated financial statements on a going concern basis

Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

- (a) The consolidated annual financial results include the unaudited financial results of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.55.24 crore as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 0.69 crore and total net loss after tax (before consolidation adjustments) of Rs. 7.12 crore, and net cash outflows of Rs 0.33 crore for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial results have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such annual financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial results are not material to the Group

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the financial information certified by the Board of Directors.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No. 116231W/W-100024

SANDEEP
BATRA

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Date: 2020.06.15 16:42:01
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Sandeep Batra
Partner
Membership Number: 093320
UDIN: 20093320AAAAAT5687

Place: New Delhi
Date: 15-June-2020

15th June, 2020

To

The Assistant Vice President,
National Stock Exchange of India Limited,
"Exchange plaza"
Bandra-Kurla Complex,
Bandra (East)
Mumbai-400051

To

The Secretary,
BSE Limited,
P.J.Tower
Dalal Street
Fort
Mumbai-400001

Sub: Declaration on Auditors' Report with Unmodified Opinion under Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) regulations, 2016.

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

Dear Sirs,

We hereby declare that M/s B S R & Associates LLP, Chartered Accountants (FRN – 116231W/W-100024), Statutory Auditors of the Company have issued audit report with unmodified opinion on Annual Financial results for the financial year ended 31st March, 2020 (Standalone and Consolidated).

You are requested to kindly take the same on record.

Yours Faithfully,

For HCL Infosystems Limited

KAPIL
KAPUR

Digitally signed
by KAPIL KAPUR
Date: 2020.06.15
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Kapil Kapur
Chief Financial Officer