

6th August, 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: Unaudited Financial Results for the quarter ended 30th June, 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 30th July, 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 Unaudited Financial Results of the Company on standalone and consolidated basis for the quarter ended 30th June, 2020 which have been taken on record at the meeting of the Board of Directors of the Company held today i.e., 6th August, 2020.

We are arranging to publish the results in the newspapers.

Please acknowledge receipt.

Very Truly Yours,
For HCL Infosystems Limited

Sushil Kumar Jain
Company Secretary & Compliance Officer

Encl: As above.

HCL INFOSYSTEMS LIMITED
Unaudited Standalone Financial Results for the quarter ended June 30, 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
 Email ID: cosec@hcl.com

Standalone Statement of Profit and Loss for the quarter ended June 30, 2020 (Rs. In Lakhs)

	Particulars	Standalone			
		Three months ended		Year ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	7,118	18,736	53,086	164,813
	Other income	370	191	1,054	2,965
	Total Income	7,488	18,927	54,140	167,778
2	Expenses				
(a)	Purchase of stock-in-trade	6,104	17,768	50,721	154,799
(b)	Changes in inventories of finished goods and stock-in-trade	804	2,332	569	6,105
(c)	Employee benefits expense	1,016	1,399	1,350	5,654
(d)	Finance costs	1,500	1,725	2,385	8,427
(e)	Depreciation and amortisation expense	130	147	225	741
(f)	Other expenses	1,071	1,915	1,650	7,370
	Total expenses	10,625	25,286	56,900	183,096
3	Loss before exceptional items and tax (1 - 2)	(3,137)	(6,359)	(2,760)	(15,318)
4	Exceptional Items loss (Refer note 2)	(342)	(4,072)	(733)	(10,171)
5	Loss before tax (3 + 4)	(3,479)	(10,431)	(3,493)	(25,489)
6	Tax expense				
(a)	Current tax	-	-	-	-
(b)	Deferred tax expense	-	-	-	6,355
7	Loss for the period (5 - 6)	(3,479)	(10,431)	(3,493)	(31,844)
8	Other comprehensive income				
A (i)	Items that will not be reclassified to profit or loss	-	(21)	-	(21)
(ii)	Income tax relating to items that will not be reclassified to profit	-	-	-	-
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)	-	(21)
9	Total comprehensive income for the period (7 + 8)	(3,479)	(10,452)	(3,493)	(31,865)
10	Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584
11	Reserve as per balance sheet of previous accounting year				(10,566)
12	Earnings per share (of Rs 2/- each) (not annualised):				
(a)	Basic	(1.06)	(3.17)	(1.06)	(9.67)
(b)	Diluted	(1.06)	(3.17)	(1.06)	(9.67)

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 August 06, 2020. The results have been subjected to a limited review by the statutory auditors.

2. Exceptional items include :

Particulars	(Rs. In Lakhs)			
	Three months ended		Year ended	
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
a. Profit on sale of properties*	-	-	624	1,565
b. Provision against loan given to subsidiary	(342)	(4,072)	(1,357)	(11,736)
Total loss-(a+b)	(342)	(4,072)	(733)	(10,171)

* Amount of Rs.1,565 lakhs (30.06.2019 - Rs. 624 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 was approved by the Board of Directors on 13.05.2019 and 20.05.2019 respectively.

3. As at June 30, 2020, the Company has accumulated losses and its net worth has been fully eroded, the Company has a net loss during the current period and previous year and the Company's current liabilities exceeded its current assets by Rs. 30,364 lakhs (March 31, 2020 Rs. 34,488 lakhs) as at June 30, 2020. 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 4), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations the Board of Directors of HCL Corporation Private Limited has 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 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, the standalone financial results have been prepared on a going concern basis.

4. In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Company, the Distribution businesses of the Company were not financially sustainable. Consequently, the Board of Directors recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business be gradually scaled down over the next few quarters.

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5. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Company's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.
6. The Board of Directors of HCL Infosystems Limited in its meeting held on August 06, 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 was made to PCCW Solutions Ltd for a total consideration of Rs.30,335 lakhs. The transaction was completed on November 15, 2019.
7. The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business, the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. The proposed merger is subject to approval of the shareholders of HCL Infosystems Limited and such other regulatory approvals as may be required in this regard.
Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results
8. In accordance with the divestment strategy of the Company, the Board of Directors in its meeting held on August 06, 2020 approved the sale/ surrender of immovable properties of HCL Infosystems Limited. The sale/ surrender will take place as and when an appropriate buyer is identified. These properties are lying vacant/ partially vacant, as the Company is not utilizing/ fully utilizing these properties after scale down of its operations and change in its business requirements, though the Company continues to incur cost on maintenance of these properties. The proceeds from the sale/ surrender of these properties will be used to pay off part of the Company's debts and thereby to reduce its finance cost. The proposed sales(s) are subject to approval of the shareholders and lenders and such other approval as may be required in this regard.
9. Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

By order of the Board
for HCL Infosystems Limited

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Nikhil Sinha
Chairman

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Place : Noida
Date : August 06, 2020

B S R & Associates LLP

Chartered Accountants

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DLF Cyber City, Phase-II
Gurugram – 122 002, India

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To

Board of Directors of **HCL Infosystems Limited**.

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **HCL Infosystems Limited** (“the Company”) for the quarter ended 30 June 2020 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. 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 period and the Company's current liabilities exceeded its current assets. 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. 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, the 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

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Sandeep Batra
Partner
Membership No: 093320
ICAI UDIN: 20093320AAAABO3682

Place: New Delhi
Date : 06 August 2020

HCL INFOSYSTEMS LIMITED
Unaudited Consolidated Financial Results for the quarter ended June 30, 2020
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 Email ID: cosec@hcl.com

Consolidated Statement of Profit and Loss for the quarter ended June 30, 2020 (Rs. In Lakhs)

	Particulars	Consolidated			
		Three months ended		Year ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	10,569	22,771	57,696	181,517
	Other income	943	2,596	1,770	7,678
	Total Income	11,512	25,367	59,466	189,195
2	Expenses				
(a)	Purchase of stock-in-trade	6,134	18,062	51,616	155,906
(b)	Changes in inventories of finished goods and stock-in-trade	588	2,362	1,055	6,760
(c)	Employee benefits expense	2,407	2,589	2,666	11,048
(d)	Finance costs	1,584	1,834	2,675	9,043
(e)	Depreciation and amortisation expense	138	166	296	880
(f)	Other expenses	4,347	6,920	5,911	29,592
	Total expenses	15,198	31,933	64,219	213,229
3	Loss before exceptional items and tax from continuing operations (1 - 2)	(3,686)	(6,566)	(4,753)	(24,034)
4	Exceptional Items (loss) / gain (refer note 6)	-	(290)	624	1,275
5	Loss before tax from continuing operations (3 + 4)	(3,686)	(6,856)	(4,129)	(22,759)
6	Tax expense / (credit)				
	(a) Current tax / (credit)	-	(33)	-	8
	(b) Deferred tax expense	-	187	-	6,209
7	Loss for the period from continuing operations (5 - 6)	(3,686)	(7,010)	(4,129)	(28,976)
8	Profit / (Loss) before tax from discontinued operations (Refer note 2)	-	(66)	159	405
9	Profit on disposal of discontinued operations (Refer note 2)	-	45	-	15,076
10	Tax expense of discontinued operations (Refer note 2)	-	63	27	138
11	Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)	-	(84)	132	15,343
12	Loss for the period (7+ 11)	(3,686)	(7,094)	(3,997)	(13,633)
13	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss	-	(49)	-	(49)
	(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	16	29	(11)	461
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income, net of income tax	16	(20)	(11)	412
14	Total comprehensive income for the period (12 + 13)	(3,670)	(7,114)	(4,008)	(13,221)
15	Net Profit / (Loss) attributable to:				
	- Shareholders	(3,686)	(7,094)	(3,997)	(13,633)
	- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)
	Total comprehensive income attributable to:				
	- Shareholders	(3,670)	(7,114)	(4,008)	(13,221)
	- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)
16	Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584
17	Reserve as per balance sheet of previous accounting year				(10,798)
18	Earnings per share for continuing operations (of Rs 2/- each) (not annualised):				
	(a) Basic	(1.12)	(2.13)	(1.25)	(8.80)
	(b) Diluted	(1.12)	(2.13)	(1.25)	(8.80)
19	Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):				
	(a) Basic	-	(0.03)	0.04	4.66
	(b) Diluted	-	(0.03)	0.04	4.66
20	Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):				
	(a) Basic	(1.12)	(2.16)	(1.21)	(4.14)
	(b) Diluted	(1.12)	(2.16)	(1.21)	(4.14)

Segment-wise information (Rs. In Lakhs)

	Particulars	Three months ended		Year ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited	Unaudited	Audited
1.	Segment Revenue				
	- Hardware Products and Solutions	3,617	4,002	3,912	15,431
	- Services *	-	262	10,371	26,415
	- Distribution	6,952	18,769	53,813	165,595
	- Learning	-	-	20	537
	Total	10,569	23,033	68,116	207,978
	Less : Intersegment revenue	-	-	29	49
	Revenue from operations	10,569	23,033	68,087	207,929
2.	Segment results (profit / (loss) before tax and Interest from each segment)				
	- Hardware Products and Solutions	(373)	(259)	(1,315)	(7,952)
	- Services *	-	(64)	139	11
	- Distribution	(1,278)	(4,132)	(559)	(6,023)
	- Learning	17	(12)	164	670
	Total	(1,634)	(4,467)	(1,571)	(13,294)
	Less :				
	i) Interest expense	1,584	1,834	2,683	9,062
	ii) Other un-allocable expenditure net off un-allocable (income)	468	576	(284)	(15,078)
	Total Profit / (Loss) before tax	(3,686)	(6,877)	(3,970)	(7,278)
3.	Segment Assets				
	- Hardware Products and Solutions	37,348	36,462	55,630	36,462
	- Services *	-	-	23,799	-
	- Distribution	29,006	37,928	80,181	37,928
	- Learning	239	235	266	235
	- Unallocated	30,312	30,070	44,108	30,070
	Total Assets	96,905	104,695	203,984	104,695
4.	Segment Liabilities				
	- Hardware Products and Solutions	29,665	30,620	36,425	30,620
	- Services *	-	-	8,250	-
	- Distribution	14,094	20,931	52,145	20,931
	- Learning	397	449	556	449
	- Unallocated	60,634	56,909	100,200	56,909
	Total Liabilities	104,790	108,909	197,576	108,909

* Refer Note 2

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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 August 06, 2020. The results have been subjected to a limited review by the statutory auditors.
2. 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, Sin/gapore (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 was 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	(Rs. In Lakhs)			
	Three months ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
Total revenue (including other income)	-	260	10,398	26,694
Total expenditure	-	326	10,239	26,289
Profit/ (loss) before tax	-	(66)	159	405
Tax expense	-	63	27	138
Profit/ (loss) after tax	-	(129)	132	267
Profit on disposal of discontinued operations	-	45	-	15,076

3. As at June 30, 2020, the Group has accumulated losses and its net worth has been fully eroded, the Group has a net loss during the current period and previous year and the Group's current liabilities exceeded its current assets by Rs 38,843 lakhs (March 31, 2020 - Rs. Rs 43,235 Lakhs) as at June 30, 2020. 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 5), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations , the Board of Directors of HCL Corporation Private Limited has issued a support letter (in the form of corporate guarantee or unsecured loan) to the Parent 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 results have been prepared on a going concern basis.

4. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of these financial results. In evaluating the impact of COVID-19 on the Group's ability to continue as a going concern, the management has assessed the impact on its business and the carrying value of its major assets comprising of property, plant and equipment, trade receivables and other receivable balances. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.

5. In view of the current financial stress faced by the Enterprise and Consumer Distribution businesses resulting in decline in sales and increase in losses, the Board of Directors had appointed a reputed independent consulting firm to review these businesses. Based on the report of the consulting firm and the inputs of the management team, the Board of Directors in their meeting dated January 27, 2020 decided that because of low margin contracts, tough market conditions and the current financial position of the Group, the Distribution businesses of the Group were not financially sustainable. Consequently, the Board of Directors recommended that in order to limit future financial losses, the Enterprise and Consumer Distribution Business be gradually scaled down over the next few quarters.

6. Exceptional items include :

Particulars	(Rs. In Lakhs)		
	Three months ended		
	30.06.2020	31.03.2020	30.06.2019
	Unaudited	Audited	Unaudited
Profit on sale of properties*	-	-	624
Impairment of property	-	(290)	-
Total gain	-	(290)	624

* Amount of Rs.1,565 lakhs (30.06.2019 - Rs. 624 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 was approved by the Board of Directors on 13.05.2019 and 20.05.2019 respectively.

7. The Board of Directors of HCL Infosystems Limited, in its meeting held on August 06, 2020, approved the merger of HCL Learning Limited and Digilife Distribution and Marketing Services Limited (DDMS), wholly owned subsidiaries of the Company, with HCL Infosystems Limited. The proposed merger is for the purpose of simplifying the group structure. As part of the ongoing rationalization of the business , the learning business and the distribution business are being scaled down. As a result, separate entities for these businesses, i.e. HCL Learning Limited for learning business and DDMS for distribution business, are no longer required. The proposed merger is subject to approval of the shareholders of HCL Infosystems Limited and such other regulatory approvals as may be required in this regard. Since, the aforesaid Scheme is subject to approval from concerned regulatory authorities which is considered to be substantive, the accounting effect of the above Scheme has not been considered in these financial results.

8. In accordance with the divestment strategy of the Group, the Board of Directors of the Parent Company in its meeting held on August 06, 2020 approved the sale/ surrender of immovable properties of HCL Infosystems Limited. The sale/ surrender will take place as and when an appropriate buyer is identified. These properties are lying vacant/ partially vacant, as the Group is not utilizing/ fully utilizing these properties after scale down of its operations and change in its business requirements, though the Group continues to incur cost on maintenance of these properties. The proceeds from the sale/ surrender of these properties will be used to pay off part of the Group's debts and thereby to reduce its finance cost. The proposed sales(s) are subject to approval of the shareholders and lenders of the Parent Company and such other approval as may be required in this regard.

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

10. Consolidated Results include financial results of HCL Infosystems Limited, HCL Infotech Limited, Digilife Distribution and Marketing Services Limited, HCL Learning Limited, HCL Investment Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE.

11. 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

Place : Noida
Date : August 06, 2020

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Chartered Accountants

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To

Board of Directors of **HCL Infosystems Limited**.

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **HCL Infosystems Limited** (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), for the quarter ended 30 June 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the following entities:

Parent entity

- a) HCL Infosystems Limited

Subsidiaries

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

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to note 3 of the Statement, which indicates that the Group has accumulated losses and its net worth has been fully eroded, the Group has a net loss during the current period and the Group's current liabilities exceeded its current assets. These conditions, along with other matters set forth in note 5, 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 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 Parent have a reasonable expectation that 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. Accordingly, the 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

**SANDEEP
BATRA**

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Date: 2020.08.06 15:49:33
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Sandeep Batra
Partner
Membership No: 093320
ICAI UDIN:20093320AAAABN1584

Place: New Delhi
Date: 06 August 2020