HCL INFOSYSTEMS LTD.
Corporate Office: E-4, Sector 11, NOIDA 201 301, U.P., India
Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.
Corporate Identity Number - L72200DL1986PLC023955
www.hclinfosystems.com
www.hcl.com

27th January, 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

Sub: Unaudited Financial Results for the quarter ended 31st December, 2019 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 15th January, 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 31st December, 2019 which have been taken on record at the meeting of the Board of Directors of the Company held today i.e., 27th January, 2020.

We are arranging to publish the results in the newspapers.

Please acknowledge receipt.

Very Truly Yours,
For HCL Infosystems Limited

SUSHIL KUMAR JAIN
Digitally signed by SUSHIL KUMAR JAIN
Date: 2020.01.27 19:11:33 +05'30'

Sushil Kumar Jain
Company Secretary & Compliance Officer

Encl: As above.

HCL INFOSYSTEMS LIMITED

Unaudited financial results for the quarter and nine months ended December 31, 2019

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 and nine months ended December 31, 2019 (Rs. in Lakhs)

	Particulars	Standalone					
		Three months ended			Year to date		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	Revenue from operations	38,880	54,111	89,449	1,46,077	2,76,523	3,58,145
	Other income	676	1,044	1,327	2,774	4,475	6,007
	Total Income	**39,556**	**55,155**	**90,776**	**1,48,851**	**2,80,998**	**3,64,152**
2	**Expenses**						
(a)	Cost of materials consumed	-	-	-	-	4	4
(b)	Purchase of stock-in-trade	34,587	51,723	1,09,340	1,37,031	2,78,493	3,25,172
(c)	Changes in inventories of finished goods and stock-in-trade	2,669	535	(23,494)	3,773	(12,382)	19,350
(d)	Employee benefits expense	1,602	1,303	1,587	4,255	5,201	6,588
(e)	Finance costs	1,877	2,440	2,520	6,702	7,935	10,337
(f)	Depreciation and amortization expense	164	205	208	594	657	838
(g)	Other expenses	2,041	1,764	2,210	5,455	6,907	9,173
	Total expenses	**42,940**	**57,970**	**92,371**	**1,57,810**	**2,86,815**	**3,71,462**
3	**Profit / (loss) before exceptional items and tax (1 - 2)**	**(3,384)**	**(2,815)**	**(1,595)**	**(8,959)**	**(5,817)**	**(7,310)**
4	Exceptional items (loss) (refer note 3)	(4,356)	(1,010)	(1,309)	(6,099)	(4,183)	(13,323)
5	**Profit / (loss) before tax (3 - 4)**	**(7,740)**	**(3,825)**	**(2,904)**	**(15,058)**	**(10,000)**	**(20,633)**
6	Tax expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax expense	6,355	-	-	6,355	-	-
7	**Net profit / (loss) for the period (5 - 6)**	**(14,095)**	**(3,825)**	**(2,904)**	**(21,413)**	**(10,000)**	**(20,633)**
8	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(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	-	-	-	-	-	**(99)**
9	**Total comprehensive income for the period (7 + 8)**	**(14,095)**	**(3,825)**	**(2,904)**	**(21,413)**	**(10,000)**	**(20,732)**
10	Paid-up equity share capital (face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584
11	Reserve as per balance sheet of previous accounting year						21,299
12	Earnings per share (of Rs 2/- each) (not annualised):						
	(a) Basic	(4.28)	(1.16)	(0.88)	(6.50)	(3.04)	(6.27)
	(b) Diluted	(4.28)	(1.16)	(0.88)	(6.50)	(3.04)	(6.27)

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 January 27, 2020.The statutory auditors have issued review report with unmodified opinion on these results.

2. As at December 31, 2019, the Company had net current liability of Rs. 21,592 lakhs and loss of Rs. 21,413 lakhs for the nine-month period ending on that date. The losses of the Company have resulted in reduction of shareholders' equity to Rs 6,470 lakhs. Further, the Company and its subsidiaries (together referred to as "the Group") had net current liabilities of Rs. 33,960 lakhs and a loss of Rs. 6,539 lakhs for the nine-month period ending on that date. The losses have resulted in reduction of shareholders' equity to Rs 2,900 lakhs. The losses are primarily as a result of delayed receipts on certain SI 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 8), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations the Group has an overall financial assistance limit (in the form of Corporate Guarantee or unsecured loan) by HCL Corporation Private Limited to the extent of Rs. 1,50,000 lakhs of which Rs 25,000 lakhs, is currently utilized. The Parent's Board of Directors have a reasonable expectation that the Group will be able to meet all its contractual obligations and liabilities as they fall due in the near future.

3. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
a Profit on sale of property, plant and equipments*	-	941	-	1,565	-	-
b Impairment of investment in Digilife Distribution and Marketing Services Limited	-	-	-	-	-	(5,605)
c Provision against loan given to subsidiary	(4,356)	(1,951)	(1,309)	(7,664)	(4,347)	(7,882)
d Gain on sale of subsidiary	-	-	-	-	164	164
Total (a+b+c-d) - gain / (loss)	**(4,356)**	**(1,010)**	**(1,309)**	**(6,099)**	**(4,183)**	**(13,323)**

* Exceptional gain of Rs. 1,565 lakhs for the nine month ended 31.12.2019 (Rs. 941 lakhs for the quarter ended 30.09.2019) 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.

4. 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 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.

5. 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.

6. 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(OCD)) 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;
   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)

7. 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).

8. 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 noted that because of low margin contracts, tough market conditions and the current financial position of the Company, the Distribution businesses of the Company are declining and incurring greater losses. 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.

9. 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.

10. 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.

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

Rangarajan Raghavan
Managing Director

DSR & Associates LLP * GURUGRAM * Chartered Accountants

B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
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 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 2 to the Statement, which indicates that the Company has incurred net losses during the nine-month period ended 31 December 2019 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in the Note 2, certain matters indicate that a material uncertainty may exist that may cast significant doubt on Company's ability to continue as a going concern, management is taking strategic and operational actions mitigating such doubt/uncertainty.

   Our report is not modified in respect of this matter.

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

Manish Gupta
Partner
Membership Number: 095037
UDIN: 20095037AAAAAC3121

Place: Gurugram
Date : 27 January 2020

HCL INFOSYSTEMS LIMITED

Unaudited financial results for the quarter and nine months ended December 31, 2019

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

Consolidated Statement of Profit and Loss for the quarter and nine months ended December 31, 2019 (Rs. In Lakhs)

	Particulars	Consolidated					
		Three months ended			Year to date		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	Revenue from operations	42,873	58,177	99,548	1,58,746	2,99,902	3,87,475
	Other income	912	2,400	2,255	5,082	7,364	10,108
	Total Income	43,785	60,577	1,01,803	1,63,828	3,07,266	3,97,583
2	**Expenses**						
(a)	Cost of materials consumed	-	-	-	-	4	4
(b)	Purchase of stock-in-trade	34,578	51,650	1,12,445	1,37,844	2,92,430	3,42,369
(c)	Changes in inventories of finished goods and stock-in-trade	2,751	592	(21,574)	4,398	(13,150)	20,354
(d)	Employee benefits expense	3,055	2,738	3,309	8,459	9,925	12,575
(e)	Finance costs	1,984	2,550	3,030	7,209	9,562	12,304
(f)	Depreciation and amortisation expense	173	245	303	714	942	1,208
(g)	Other expenses	8,898	7,863	7,864	22,672	19,325	25,830
	Total expenses	51,439	65,638	1,05,377	1,81,296	3,19,038	4,14,644
3	**Profit / (loss) before exceptional items and tax from continuing operations (1 - 2)**	(7,654)	(5,061)	(3,574)	(17,468)	(11,772)	(17,061)
4	Exceptional items gain (refer note 7)	-	941	-	1,565	-	-
5	**Profit / (loss) before tax from continuing operations (3 - 4)**	(7,654)	(4,120)	(3,574)	(15,903)	(11,772)	(17,061)
6	Tax expense						
	(a) Current tax	41	-	-	41	-	7
	(b) Deferred tax expense	6,022	-	-	6,022	-	293
7	**Net profit / (loss) for the period from continuing operations (5 - 6)**	(13,717)	(4,120)	(3,574)	(21,966)	(11,772)	(17,361)
8	Profit before tax from discontinued operations (refer note 2 & 4-6)	152	160	852	471	2,081	3,421
9	Profit on disposal of discontinued operations (refer note 2 & 4-6)	15,031	-	-	15,031	959	959
10	Tax expense of discontinued operations (refer note 2 & 4-6)	16	32	249	75	398	539
11	**Net profit / (loss) for the period from discontinued operations (8 + 9 - 10)**	15,167	128	603	15,427	2,642	3,841
12	**Net profit / (loss) for the period (7+ 11)**	1,450	(3,992)	(2,971)	(6,539)	(9,130)	(13,520)
13	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(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	420	23	(313)	432	574	543
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	420	23	(313)	432	574	401
14	**Total comprehensive income for the period (12 + 13)**	1,870	(3,969)	(3,284)	(6,107)	(8,556)	(13,119)
15	Net profit/(loss) attributable to:						
	- Shareholders	1,450	(3,992)	(2,971)	(6,539)	(9,130)	(13,520)
	- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
	Total comprehensive income attributable to:						
	- Shareholders	1,870	(3,969)	(3,284)	(6,107)	(8,556)	(13,119)
	- Non-controlling interests	(0.00)	(0.00)	(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	6,584	6,584
17	Reserve as per balance sheet of previous accounting year						3,831
18	Earnings per share for continuing operations (of Rs 2/- each) (not annualised):						
	(a) Basic	(4.17)	(1.25)	(1.09)	(6.67)	(3.58)	(5.27)
	(b) Diluted	(4.17)	(1.25)	(1.09)	(6.67)	(3.58)	(5.27)
19	Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):						
	(a) Basic	4.61	0.04	0.18	4.69	0.80	1.17
	(b) Diluted	4.61	0.04	0.18	4.69	0.80	1.17
20	Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):						
	(a) Basic	0.44	(1.21)	(0.90)	(1.99)	(2.77)	(4.11)
	(b) Diluted	0.44	(1.21)	(0.90)	(1.99)	(2.77)	(4.11)

Segment-wise information

	Particulars	Three months ended			Year to date		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	**Segment revenue**						
	- Hardware products and solutions	3,930	3,587	3,314	11,429	12,076	15,833
	- Services*	5,342	10,440	12,899	26,153	38,211	51,622
	- Distribution	38,547	54,466	95,536	1,46,826	2,87,718	3,72,221
	- Learning	392	125	431	537	750	1,045
	Total	48,211	68,618	1,12,180	1,84,945	3,38,755	4,40,721
	Less : Intersegment revenue	-	20	22	49	579	1,494
	Revenue from operations	48,211	68,598	1,12,158	1,84,896	3,38,176	4,39,227
2.	**Segment results (profit / (loss) before tax and interest from each segment)**						
	- Hardware products and solutions	(4,389)	(1,989)	(1,429)	(7,693)	(3,496)	(7,312)
	- Services*	(191)	127	677	75	2,882	4,266
	- Distribution	(1,110)	(222)	518	(1,891)	1,024	1,345
	- Learning	351	167	517	682	628	1,062
	Total	(5,339)	(1,917)	283	(8,827)	1,038	(639)
	Less :						
	i) Interest expense	1,987	2,558	3,030	7,228	9,689	12,431
	ii) Other un-allocable expenditure net off un-allocable (income)*	(14,855)	(515)	(25)	(15,654)	81	(389)
	Total profit / (loss) before tax	7,529	(3,960)	(2,722)	(401)	(8,732)	(12,681)
3.	**Segment assets**						
	- Hardware products and solutions	45,767	49,275	71,652	45,767	71,652	58,165
	- Services*	-	23,670	20,577	-	20,577	23,691
	- Distribution	58,459	73,956	1,22,225	58,459	1,22,225	69,470
	- Learning	267	251	220	267	220	305
	- Unallocated	30,994	35,855	57,238	30,994	57,238	48,104
	Total assets	1,35,487	1,83,007	2,71,912	1,35,487	2,71,912	1,99,735
4.	**Segment liabilities**						
	- Hardware products and solutions	38,485	37,402	44,832	38,485	44,832	38,302
	- Services*	-	7,598	7,341	-	7,341	7,956
	- Distribution	35,252	48,474	93,129	35,252	93,129	50,334
	- Learning	427	488	800	427	800	615
	- Unallocated	58,423	86,613	1,10,831	58,423	1,10,831	92,111
	Total liabilities	1,32,587	1,80,575	2,56,933	1,32,587	2,56,933	1,89,320

* Refer note (2 & 4-6)

B S R & Associates LLP * GURUGRAM * Chartered Accountants

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 January 27, 2020.The statutory auditors have issued review report with unmodified opinion on these results.

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, Singapore 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 to date		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue (including other income)	5,607	10,429	12,133	26,434	33,087	46,657
Total expenditure	5,455	10,269	11,315	25,963	31,311	43,541
Profit before tax	152	160	818	471	1,776	3,116
Tax expense	16	32	249	75	380	521
Profit after tax	136	128	569	396	1,396	2,595
Profit on disposal of discontinued operations	15,031	-	-	15,031	-	-

3. As at December 31, 2019, HCL Infosystems Limited and its subsidiaries (together referred to as "the Group") had net current liabilities of Rs. 33,960 lakhs and a loss of Rs. 6,539 lakhs for the nine-month period ending on that date. The losses have resulted in reduction of shareholders' equity to Rs 2,900 lakhs. The losses are primarily as a result of delayed receipts on certain SI 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 8), sale of certain non-core properties and reduction in outstanding debts. To ensure the necessary financial support for its operations the Group has an overall financial assistance limit (in the form of Corporate Guarantee or unsecured loan) by HCL Corporation Private Limited to the extent of Rs. 1,50,000 lakhs of which Rs 25,000 lakhs, is currently utilized. The Parent's Board of Directors have a reasonable expectation that the Group will be able to meet all its contractual obligations and liabilities as they fall due in the near future.

4. 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 to date		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue (including other income)	-	-	532	-	2,169	2,169
Total expenditure	-	-	498	-	2,074	2,074
Profit before tax	-	-	34	-	95	95
Tax expense	-	-	-	-	18	18
Profit after tax	-	-	34	-	77	77

5(a). 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.

5(b). 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(OCD)) 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;
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)

6. Pursuant to 3(a) & 3(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 to date		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue (including other income)	-	-	-	-	3,116	3,116
Total expenditure	-	-	-	-	2,906	2,906
Profit before tax	-	-	-	-	210	210
Tax expense	-	-	-	-	-	-
Profit after tax	-	-	-	-	210	210
Profit on disposal of discontinued operations	-	-	-	-	959	959

7. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Profit on sale of property, plant and equipments*	-	941	-	1,565	-	-
Total gain	-	941	-	1,565	-	-

* Exceptional gain of Rs.1,565 lakhs for the nine month ended 31.12.2019 (Rs.941 lakhs for the quarter ended 30.09.2019) 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.

8. 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 noted that because of low margin contracts, tough market conditions and the current financial position of the Group, the Distribution businesses of the Group are declining and incurring greater losses. 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.

9. 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.

10. 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.

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

12. 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

Rangarajan Raghavan
Managing Director

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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 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 ("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 Insys Pte. Limited (ceased to be a subsidiary with effect from 15th Nov 2019)
   e) HCL Investment Pte. Limited
   f) Pimpri Chinchwad eServices Limited
   g) Nurture Technologies FZE

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

6. We draw attention to Note 3 to the Statement, which indicates that the Parent has incurred net losses during the nine-month period ended 31 December 2019 and, as of that date, the Parent's current liabilities exceeded its current assets. As stated in the Note 3, certain matters indicate that a material uncertainty may exist that may cast significant doubt on parent's ability to continue as a going concern, management is taking strategic and operational actions mitigating such doubt/uncertainty.

   Our conclusion is not modified in respect of this matter.

7. The Statement includes the interim financial information of three subsidiaries which have not been reviewed, whose interim financial information reflect total revenue of Rs. 68.23 lakhs and Rs. 173.72 lakhs, total net loss and total comprehensive loss after tax of Rs. 246.36 lakhs and Rs. 515.93 lakhs for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

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

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



Manish Gupta
Partner
Membership Number: 095037
UDIN: 20095037AAAAAB4722

Place: Gurugram
Date : 27 January 2020