

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	158,746	299,902	387,475
Other income	912	2,400	2,255	5,082	7,364	10,108
Total Income	43,785	60,577	101,803	163,828	307,266	397,583
2 Expenses						
(a) Cost of materials consumed	-	-	-	-	4	4
(b) Purchase of stock-in-trade	34,578	51,650	112,445	137,844	292,430	342,369
(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	1,994	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	105,377	181,296	319,038	414,644
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)

Particulars	Three months ended					
	31.12.2019			31.12.2018		31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	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	146,826	287,718	372,221
- Learning	392	125	431	537	750	1,045
Total	48,211	68,618	112,180	184,945	338,755	440,721
Less : Intersegment revenue	-	20	22	49	579	1,494
Revenue from operations	48,211	68,598	112,158	184,896	338,176	439,227
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	2,862	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)	263	(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	122,225	58,459	122,225	69,470
- Learning	267	251	220	267	220	305
- Unallocated	30,994	35,855	57,238	30,994	57,238	48,104
Total assets	135,487	183,007	271,912	135,487	271,912	199,735
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	7,958
- 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	110,831	58,423	110,831	92,111
Total liabilities	132,587	180,575	256,933	132,587	256,933	189,320

* Refer note (2 & 4-6)

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

- 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.

- 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

- 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(OCDD)) in HCL Services Limited to M/s Karyu Data Management Services Limited for a consideration of Rs 112.10 crore (Equity Rs 17.45 crore and OCDD Rs 94.65 crore, the consideration for OCDD 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 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

- 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.

- 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.

- 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.

- 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

Rangarajan Raghavan
Managing Director