

**HCL INFOSYSTEMS LIMITED**  
**Audited Financial Results for the quarter and year ended March 31, 2019**  
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**Consolidated Statement of Profit and Loss for the quarter and year ended March 31, 2019**

(Rs. In Lakhs)

Particulars	Consolidated				
	Three months ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Audited	Unaudited	Audited	Audited	
<b>1 Income</b>					
Revenue from operations	101,050	111,676	105,821	434,004	356,463
Other income	2,837	2,260	4,160	10,236	13,073
<b>Total Income</b>	<b>103,887</b>	<b>113,936</b>	<b>109,981</b>	<b>444,240</b>	<b>369,536</b>
<b>2 Expenses</b>					
(a) Cost of materials consumed	-	-	14	4	35
(b) Purchase of stock-in-trade	49,939	112,445	87,760	342,369	312,813
(c) Changes in inventories of finished goods and stock-in-trade	33,504	(21,574)	760	20,354	(21,780)
(d) Employee benefits expense	6,697	7,406	6,968	29,198	27,601
(e) Finance costs	2,742	3,030	3,208	12,304	14,113
(f) Depreciation and amortisation expense	545	536	576	2,163	2,745
(g) Other expenses	14,409	14,849	15,736	51,793	51,218
<b>Total expenses</b>	<b>107,836</b>	<b>116,692</b>	<b>115,022</b>	<b>458,185</b>	<b>386,745</b>
<b>3 Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(3,949)</b>	<b>(2,756)</b>	<b>(5,041)</b>	<b>(13,945)</b>	<b>(17,209)</b>
4 Exceptional items gain / (loss) (Refer note 6)	-	-	(3,142)	-	(3,142)
<b>5 Profit / (Loss) before tax from continuing operations (3 + 4)</b>	<b>(3,949)</b>	<b>(2,756)</b>	<b>(8,183)</b>	<b>(13,945)</b>	<b>(20,351)</b>
6 Tax expense / (credit)					
(a) Current tax	206	312	67	536	195
(b) Deferred tax expense / (credit)	235	(63)	702	285	313
<b>7 Net Profit / (Loss) for the period from continuing operations (5 - 6)</b>	<b>(4,390)</b>	<b>(3,005)</b>	<b>(8,952)</b>	<b>(14,766)</b>	<b>(20,859)</b>
8 Profit / (Loss) before tax from discontinued operations (Refer note 3-5)	-	34	(4,545)	305	(50,533)
9 Profit/(Loss) on disposal of discontinued operations (Refer note 4)	-	-	-	959	-
10 Tax expense / (credit) of discontinued operations (Refer note 3-5)	-	-	10,605	18	9,984
<b>11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)</b>	<b>-</b>	<b>34</b>	<b>(15,150)</b>	<b>1,246</b>	<b>(60,517)</b>
<b>12 Net Profit / (Loss) for the period (7 + 11)</b>	<b>(4,390)</b>	<b>(2,971)</b>	<b>(24,102)</b>	<b>(13,520)</b>	<b>(81,376)</b>
13 Other comprehensive income					
A (i) Items that will not be reclassified to profit or (loss)	(142)	-	(31)	(142)	(31)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)	-	-	8	-	8
B (i) Items that will be reclassified to profit or (loss)	(31)	(313)	146	543	460
(ii) Income tax relating to items that will be reclassified to profit or (loss)	-	-	-	-	-
<b>Total other comprehensive income, net of income tax</b>	<b>(173)</b>	<b>(313)</b>	<b>107</b>	<b>401</b>	<b>421</b>
<b>14 Total comprehensive income for the period (12 + 13)</b>	<b>(4,563)</b>	<b>(3,284)</b>	<b>(23,995)</b>	<b>(13,119)</b>	<b>(80,955)</b>
15 Net Profit/(Loss) attributable to:					
- Shareholders	(4,390)	(2,971)	(24,102)	(13,520)	(81,376)
- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive income attributable to:					
- Shareholders	(4,563)	(3,284)	(23,995)	(13,119)	(80,955)
- 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				3,831	16,950
18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised) :					
(a) Basic	(1.33)	(0.91)	(2.72)	(4.49)	(8.14)
(b) Diluted	(1.33)	(0.91)	(2.72)	(4.49)	(8.14)
19 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised) :					
(a) Basic	-	0.01	(4.60)	0.38	(23.63)
(b) Diluted	-	0.01	(4.60)	0.38	(23.63)
20 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised) :					
(a) Basic	(1.33)	(0.90)	(7.32)	(4.11)	(31.77)
(b) Diluted	(1.33)	(0.90)	(7.32)	(4.11)	(31.77)

**Consolidated Balance Sheet**

(Rs. In Lakhs)

Particulars	Consolidated	
	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	8,030	10,357
Capital work-in-progress	4	225
Goodwill	5,497	5,497
Other intangible assets	668	685
Financial assets		
i. Other financial assets	7,471	604
Deferred tax assets (net)	6,502	6,502
Advance income tax asset (net)	11,215	12,720
Other non-current assets	15,638	15,341
<b>Total non-current assets</b>	<b>55,025</b>	<b>51,931</b>
<b>Current assets</b>		
Inventories	9,551	29,894
Financial assets		
i. Investments	-	12,222
ii. Trade receivables	56,944	128,964
iii. Cash and cash equivalents	15,425	10,968
iv. Bank balances other than (iii) above	8,537	2,326
v. Other financial assets	10,838	15,768
Other current assets	41,979	13,987
<b>Total current assets</b>	<b>143,274</b>	<b>214,129</b>
<b>Disposal group - assets held for sale</b>	<b>1,436</b>	<b>21,914</b>
<b>Total assets</b>	<b>199,735</b>	<b>287,974</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	3,831	16,950
Non-controlling interests	(0.00)	(0.00)
<b>Total equity</b>	<b>10,415</b>	<b>23,534</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	9,908	16,917
Provisions	788	962
Deferred tax liabilities (net)	544	251
<b>Total non-current liabilities</b>	<b>11,240</b>	<b>18,130</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	49,840	82,539
ii. Trade payables	67,995	83,906
iii. Other financial liabilities	33,457	30,435
Other current liabilities	21,739	24,884
Provisions	4,740	15,091
Current tax liabilities (net)	309	322
<b>Total current liabilities</b>	<b>178,080</b>	<b>237,177</b>
<b>Disposal group - liabilities directly associated with assets held for sale</b>	<b>-</b>	<b>9,133</b>
<b>Total liabilities</b>	<b>189,320</b>	<b>264,440</b>
<b>Total equity and liabilities</b>	<b>199,735</b>	<b>287,974</b>

## Segment-wise information

Particulars	(Rs. In Lakhs)				
	Three months ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Audited	Unaudited	Audited	Audited	
<b>1. Segment Revenue</b>					
- Hardware Products and Solutions	3,012	2,801	5,592	13,451	18,222
- Services *	14,158	13,412	21,280	54,004	87,507
- Distribution	84,503	95,536	90,796	372,221	301,630
- Learning	295	431	(63)	1,045	313
Total	101,968	112,180	117,605	440,721	407,672
Less : Intersegment revenue	918	22	859	1,494	3,403
<b>Revenue from operations</b>	<b>101,050</b>	<b>112,158</b>	<b>116,746</b>	<b>439,227</b>	<b>404,269</b>
<b>2. Segment results (profit / (loss) before tax and interest from each segment)</b>					
- Hardware Products and Solutions	(3,808)	(1,429)	(1,748)	(7,302)	(4,858)
- Services *	1,376	677	(3,664)	4,256	(46,406)
- Distribution	321	518	(63)	1,345	1,350
- Learning	434	517	(3,363)	1,062	(4,571)
Total	(1,677)	283	(8,838)	(639)	(54,485)
Less :					
i) Interest expense	2,742	3,030	3,993	12,431	17,089
ii) Other un-allocable expenditure net off un-allocable (income)	(470)	(25)	(103)	(389)	(690)
<b>Total Profit / (Loss) before tax</b>	<b>(3,949)</b>	<b>(2,722)</b>	<b>(12,728)</b>	<b>(12,681)</b>	<b>(70,884)</b>
<b>3. Segment Assets</b>					
- Hardware Products and Solutions	58,165	71,652	91,306	58,165	91,306
- Services *	23,691	20,577	34,738	23,691	34,738
- Distribution	69,470	122,225	105,068	69,470	105,068
- Learning	305	220	1,133	305	1,133
- Unallocated	48,104	57,238	55,729	48,104	55,729
<b>Total Assets</b>	<b>199,735</b>	<b>271,912</b>	<b>287,974</b>	<b>199,735</b>	<b>287,974</b>
<b>4. Segment Liabilities</b>					
- Hardware Products and Solutions	38,302	44,832	50,655	38,302	50,655
- Services *	7,958	7,341	19,395	7,958	19,395
- Distribution	50,334	93,129	64,789	50,334	64,789
- Learning	615	800	1,003	615	1,003
- Unallocated	92,111	110,831	128,698	92,111	128,698
<b>Total Liabilities</b>	<b>189,320</b>	<b>256,933</b>	<b>264,440</b>	<b>189,320</b>	<b>264,440</b>

\* Refer Note (3-5)

## 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 May 30, 2019. The results for year ended March 31, 2019 have been audited by the statutory auditors.
- The amounts for the quarter ended March 31, 2019 represent difference between the amounts as per audited year end accounts and the year to date results upto December 31, 2018 which have been subjected to limited review.
- 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 3.4 Mn (approximately equivalent Rs 650 lakhs).

Accordingly the business operations of the above mentioned companies has been considered as discontinued operations. The relevant information for all the period presented, attributable to discontinued operations are as below.

Particulars	(Rs. In Lakhs)				
	Three months ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Audited	Unaudited	Audited	Audited	
Total revenue (including Other income)	-	532	955	2,169	4,833
Total expenditure	-	498	781	2,074	4,645
Profit/ (loss) before tax	-	34	174	95	188
Tax expense	-	-	9	18	49
Profit/ (loss) after tax	-	34	165	77	139

Place : Noida  
Date : May 30, 2019

4(a). As communicated earlier, pursuant to the approval by the Board of Directors of the 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 Qess Corp Limited on April 11, 2018.

4(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(OC)) in HCL Services Limited to M/s Karvy Data Management Services Limited for a consideration of Rs 11,210 lakhs (Equity Rs 1,745 lakhs and OCD Rs 9,465 lakhs, 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 Qess Corp Limited)

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

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

5. Pursuant to 4(a) & 4(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	(Rs. In Lakhs)				
	Three months ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Audited	Unaudited	Audited	Audited	
Total revenue (including Other income)	-	-	10,227	3,116	43,383
Total expenditure	-	-	12,758	2,906	52,916
Profit/ (loss) before exceptional items and tax	-	-	(2,531)	210	(9,533)
Exceptional Items gain / (loss)	-	-	(2,188)	959	(41,188)
Profit/ (loss) before tax	-	-	(4,719)	1,169	(50,721)
Tax expense	-	-	10,596	-	9,935
Profit/ (loss) after tax	-	-	(15,315)	1,169	(60,656)
Total assets	-	-	21,914	21,914	21,914
Total liabilities	-	-	9,133	9,133	9,133

6. Exceptional items include :

Particulars	(Rs. In Lakhs)				
	Three months ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
	Audited	Unaudited	Audited	Audited	
Impairment of goodwill for Learning Business	-	-	(3,142)	-	(3,142)
Total Gain/(Loss)	-	-	(3,142)	-	(3,142)

7. In order to reduce Company's debt obligations, the Company has decided to monetize company owned properties in a phased manner. Several of Company's properties are not being fully utilized due to changes in the business of the Company. Therefore the board has approved the sale of two company owned properties located in Noida and one property located in Pune, proceeds of which will be utilized in entirety to repay our loans. The net value of Rs.1,436 lakhs of these properties as of 31.03.2019 has been classified and disclosed as assets held for sale.

Pursuant to the Board's approval, the Company entered into agreement to sell the property situated at G-8,9,10, Sector 3, Noida on 21.05.2019 and the property situated at B-13,14 Sector 3, Noida on 28.05.2019 subject to approval from Noida authority. As of 31.03.2019, the combined book value of two properties is Rs.88 lakhs and the sale value of the properties is Rs.1,368 lakhs.

8. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

Pursuant to adoption of Ind AS 115, the Company has reclassified Rs. 29,380 lakhs from "Trade receivables" to "Other current assets".

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

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

for HCL Infosystems Limited

Rangarajan Raghavan  
Managing Director