

(Rs. In Lakhs)

**Consolidated Statement of Profit and Loss for the quarter ended June 30, 2019**

| Particulars   | Consolidated       |                 |                 |                 |
|---|--------------------|-----------------|-----------------|-----------------|
|   | Three months ended |                 |                 | Year ended      |
|   | 30.06.2019         | 31.03.2019      | 30.06.2018      | 31.03.2019      |
|   | Unaudited          | Audited         | Unaudited       | Audited         |
| <b>1 Income</b>   |                    |                 |                 |                 |
| Revenue from operations   | 68,087             | 1,01,050        | 1,12,852        | 4,34,004        |
| Other income  | 1,777              | 2,837           | 2,581           | 10,236          |
| <b>Total Income</b>   | <b>69,864</b>      | <b>1,03,887</b> | <b>1,15,433</b> | <b>4,44,240</b> |
| <b>2 Expenses</b>   |                    |                 |                 |                 |
| (a) Cost of materials consumed  | -                  | -               | 4               | 4               |
| (b) Purchase of stock-in-trade  | 51,616             | 49,939          | 88,538          | 3,42,369        |
| (c) Changes in inventories of finished goods and stock-in-trade                                   | 1,055              | 33,504          | 8,264           | 20,354          |
| (d) Employee benefits expense   | 6,800              | 6,697           | 7,539           | 29,198          |
| (e) Finance costs   | 2,683              | 2,742           | 3,312           | 12,304          |
| (f) Depreciation and amortisation expense   | 663                | 545             | 532             | 2,163           |
| (g) Other expenses  | 11,641             | 14,409          | 11,191          | 51,793          |
| <b>Total expenses</b>   | <b>74,458</b>      | <b>1,07,836</b> | <b>1,19,380</b> | <b>4,58,185</b> |
| <b>3 Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)</b>      | <b>(4,594)</b>     | <b>(3,949)</b>  | <b>(3,947)</b>  | <b>(13,945)</b> |
| 4 Exceptional Items (loss) / gain (refer note 7)  | 624                | -               | -               | -               |
| <b>5 Profit / (Loss) before tax from continuing operations (3 + 4)</b>                            | <b>(3,970)</b>     | <b>(3,949)</b>  | <b>(3,947)</b>  | <b>(13,945)</b> |
| 6 Tax expense / (credit)  |                    |                 |                 |                 |
| (a) Current tax   | -                  | 206             | 75              | 536             |
| (b) Deferred tax expense / (credit)   | 27                 | 235             | -               | 285             |
| <b>7 Net Profit / (Loss) for the period from continuing operations (5 - 6)</b>                    | <b>(3,997)</b>     | <b>(4,390)</b>  | <b>(4,022)</b>  | <b>(14,766)</b> |
| 8 Profit / (Loss) before tax from discontinued operations (Refer note 3-5)                        | -                  | -               | 210             | 305             |
| 9 Profit / (Loss) on disposal of discontinued operations (Refer note 4)                           | -                  | -               | 959             | 959             |
| 10 Tax expense / (credit) of discontinued operations (Refer note 5)                               | -                  | -               | 7               | 18              |
| <b>11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)</b>            | <b>-</b>           | <b>-</b>        | <b>1,162</b>    | <b>1,246</b>    |
| <b>12 Net Profit / (Loss) for the period (7+ 11)</b>  | <b>(3,997)</b>     | <b>(4,390)</b>  | <b>(2,860)</b>  | <b>(13,520)</b> |
| 13 Other comprehensive income   |                    |                 |                 |                 |
| A (i) Items that will not be reclassified to profit or loss                                       | -                  | (142)           | -               | (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   | (11)               | (31)            | 331             | 543             |
| (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>(11)</b>        | <b>(173)</b>    | <b>331</b>      | <b>401</b>      |
| <b>14 Total comprehensive income for the period (12 + 13)</b>                                     | <b>(4,008)</b>     | <b>(4,563)</b>  | <b>(2,529)</b>  | <b>(13,119)</b> |
| 15 Net Profit / (Loss) attributable to:   |                    |                 |                 |                 |
| - Shareholders  | (3,997)            | (4,390)         | (2,860)         | (13,520)        |
| - Non-controlling interests   | (0.00)             | (0.00)          | (0.00)          | (0.00)          |
| Total comprehensive income attributable to:   |                    |                 |                 |                 |
| - Shareholders  | (4,008)            | (4,563)         | (2,529)         | (13,119)        |
| - 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                                       |                    |                 |                 | 3,831           |
| 18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):                |                    |                 |                 |                 |
| (a) Basic   | (1.21)             | (1.33)          | (1.22)          | (4.49)          |
| (b) Diluted   | (1.21)             | (1.33)          | (1.22)          | (4.49)          |
| 19 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):              |                    |                 |                 |                 |
| (a) Basic   | -                  | -               | 0.35            | 0.38            |
| (b) Diluted   | -                  | -               | 0.35            | 0.38            |
| 20 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised): |                    |                 |                 |                 |
| (a) Basic   | (1.21)             | (1.33)          | (0.87)          | (4.11)          |
| (b) Diluted   | (1.21)             | (1.33)          | (0.87)          | (4.11)          |

**Segment-wise information**

| Particulars   | Three months ended |                 |                 | Year ended      |
|---|--------------------|-----------------|-----------------|-----------------|
|   | 30.06.2019         | 31.03.2019      | 30.06.2018      | 31.03.2019      |
|   | Unaudited          | Audited         | Unaudited       | Audited         |
|   |                    |                 |                 |                 |
| <b>1. Segment Revenue</b>   |                    |                 |                 |                 |
| - Hardware Products and Solutions   | 3,862              | 3,012           | 3,828           | 13,451          |
| - Services *  | 10,421             | 14,158          | 14,406          | 54,004          |
| - Distribution  | 53,813             | 84,503          | 98,583          | 3,72,221        |
| - Learning  | 20                 | 295             | 62              | 1,045           |
| Total   | 68,116             | 1,01,968        | 1,16,879        | 4,40,721        |
| Less : Intersegment revenue   | 29                 | 918             | 110             | 1,494           |
| <b>Revenue from operations</b>  | <b>68,087</b>      | <b>1,01,050</b> | <b>1,16,769</b> | <b>4,39,227</b> |
| <b>2. Segment results (profit / (loss) before tax and interest from each segment)</b> |                    |                 |                 |                 |
| - Hardware Products and Solutions   | (1,314)            | (3,808)         | (1,109)         | (7,302)         |
| - Services *  | 138                | 1,376           | 1,662           | 4,256           |
| - Distribution  | (559)              | 321             | 96              | 1,345           |
| - Learning  | 164                | 434             | (36)            | 1,062           |
| Total   | (1,571)            | (1,677)         | 613             | (639)           |
| Less :  |                    |                 |                 |                 |
| i) Interest expense   | 2,683              | 2,742           | 3,439           | 12,431          |
| ii) Other un-allocable expenditure net off un-allocable (income)                      | (284)              | (470)           | (49)            | (389)           |
| <b>Total Profit / (Loss) before tax</b>   | <b>(3,970)</b>     | <b>(3,949)</b>  | <b>(2,777)</b>  | <b>(12,681)</b> |
| <b>3. Segment Assets</b>  |                    |                 |                 |                 |
| - Hardware Products and Solutions   | 55,630             | 58,165          | 87,185          | 58,165          |
| - Services *  | 23,799             | 23,691          | 20,586          | 23,691          |
| - Distribution  | 80,181             | 69,470          | 98,967          | 69,470          |
| - Learning  | 266                | 305             | 691             | 305             |
| - Unallocated   | 44,108             | 48,104          | 58,296          | 48,104          |
| <b>Total Assets</b>   | <b>2,03,984</b>    | <b>1,99,735</b> | <b>2,65,725</b> | <b>1,99,735</b> |
| <b>4. Segment Liabilities</b>   |                    |                 |                 |                 |
| - Hardware Products and Solutions   | 36,425             | 38,302          | 55,649          | 38,302          |
| - Services *  | 8,250              | 7,958           | 8,142           | 7,958           |
| - Distribution  | 52,145             | 50,334          | 62,193          | 50,334          |
| - Learning  | 556                | 615             | 1,044           | 615             |
| - Unallocated   | 1,00,200           | 92,111          | 1,17,691        | 92,111          |
| <b>Total Liabilities</b>  | <b>1,97,576</b>    | <b>1,89,320</b> | <b>2,44,719</b> | <b>1,89,320</b> |

\* Refer Note 3

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 July 31, 2019. The results have been subjected to a limited review by the statutory auditors.
- 2(a). 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.
- 2(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(OCB)) 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 OCB Rs 9,465 lakhs, the consideration for OCB 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)
3. Pursuant to 2(a) & 2(b) above, Care Business & Domestic Enterprise Services Business has been considered as discontinued operations. The relevant information for all the period presented, attributable to these discontinued operations are as below.

| Particulars                                     | Three months ended |            |            | Year ended |
|---|--------------------|------------|------------|------------|
|   | 30.06.2019         | 31.03.2019 | 30.06.2018 | 31.03.2019 |
|   | Unaudited          | Audited    | Unaudited  | Audited    |
| Total revenue (including Other income)          | -                  | -          | 3,116      | 3,116      |
| Total expenditure                               | -                  | -          | 2,906      | 2,906      |
| Profit/ (loss) before exceptional items and tax | -                  | -          | 210        | 210        |
| Exceptional items loss / (gain)                 | -                  | -          | 959        | 959        |
| Profit/ (loss) before tax                       | -                  | -          | 1,169      | 1,169      |
| Tax expense                                     | -                  | -          | -          | -          |
| Profit/ (loss) after tax                        | -                  | -          | 1,169      | 1,169      |

4. Profit on disposal of discontinued operations for the quarter ended June 30, 2018 includes gain of Rs 959 lakhs on divestment of Care and Domestic Enterprise Services Business as mentioned in Note 2(a) and 2(b).
5. 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                            | Three months ended |            |            | Year ended |
|--|--------------------|------------|------------|------------|
|  | 30.06.2019         | 31.03.2019 | 30.06.2018 | 31.03.2019 |
|  | Unaudited          | Audited    | Unaudited  | Audited    |
| Total revenue (including Other income) | -                  | -          | 810        | 2,169      |
| Total expenditure                      | -                  | -          | 809        | 2,074      |
| Profit/ (loss) before tax              | -                  | -          | 1          | 95         |
| Tax expense                            | -                  | -          | 7          | 18         |
| Profit/ (loss) after tax               | -                  | -          | (6)        | 77         |

6. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.  
  
On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) and lease liability of Rs. 987 lakhs. The adoption of this standard did not have any significant impact on the profit/loss for the period and earnings per share.
7. Exceptional gain of Rs. 624 lakhs 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, Noida location under property monetisation plan, under which agreement to sale had been approved by Board on 13.05.2019 and 20.05.2019 respectively.
8. Consolidated Results include financial results of HCL Infosystems Limited, and its subsidiaries.
9. 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

Place : Noida  
Date : July 31, 2019