

5th February, 2019

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 31st December, 2018 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 22nd January, 2019 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 along with the Limited Review Report for the Quarter and nine months ended 31st December, 2018 which have been taken on record at the meeting of the Board of Directors of the Company held today.

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

Encl: As above.

HCL INFOSYSTEMS LIMITED

Unaudited Financial Results for the quarter and nine months ended December 31, 2018

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, 2018

Particulars	(Rs. In Lakhs)					
	Three months ended		Year to date		Year ended	
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income					
	Revenue from operations	89,449	90,316	1,05,870	2,76,523	2,95,030
	Other income	1,327	1,474	1,334	4,475	5,438
	Total Income	90,776	91,790	1,07,204	2,80,998	3,00,468
2	Expenses					
	(a) Cost of materials consumed	-	-	2	4	35
	(b) Purchase of stock-in-trade	1,09,340	83,992	1,13,378	2,78,493	3,03,798
	(c) Changes in inventories of finished goods and stock-in-trade	(23,494)	3,941	(11,882)	(12,382)	(21,973)
	(d) Employee benefits expense	1,587	1,806	1,488	5,201	5,896
	(e) Finance costs	2,520	2,534	3,199	7,935	11,435
	(f) Depreciation and amortisation expense	208	221	110	657	444
	(g) Other expenses	2,210	2,318	2,179	6,907	8,521
	Total expenses	92,371	93,912	1,08,474	2,86,815	3,08,156
3	Profit / (Loss) before exceptional items and tax (1 - 2)	(1,595)	(2,122)	(1,270)	(5,817)	(7,688)
4	Exceptional items gain / (loss) (Refer note 3)	(1,309)	(1,414)	(1,845)	(4,183)	(4,446)
5	Profit / (Loss) before tax (3 + 4)	(2,904)	(3,536)	(3,115)	(10,000)	(63,050)
6	Tax expense / (credit)	-	-	-	-	-
	(a) Current tax	-	-	-	-	-
	(b) Deferred tax expense / (credit)	-	-	-	-	-
7	Net Profit / (Loss) for the period (5 - 6)	(2,904)	(3,536)	(3,115)	(10,000)	(63,157)
8	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(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	-	-	-	-	-
9	Total other comprehensive income, net of income tax	-	-	-	-	17
10	Total comprehensive income for the period (7 + 8)	(2,904)	(3,536)	(3,115)	(10,000)	(63,140)
11	Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584
12	Reserve as per balance sheet of previous accounting year	(0.88)	(1.07)	(1.24)	(3.04)	(24.66)
	(a) Basic	(0.88)	(1.07)	(1.24)	(3.04)	(24.66)
	(b) Diluted	-	-	-	-	-



Place : Noida
Date : February 5, 2019

[Signature]

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 February 5, 2019. The results have been subjected to a limited review by the statutory auditors.
- 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 Khalid Ahmed Khalaf Al Otaiba, Mr. Syed Mohammed Bukhari, Mr. Khadeer Peer Sharif S S and Mr. Abdul Qadir Bukhari on November 27, 2018 for a consideration of AED 3.4 Mn (approximately equivalent Rs 6.5 crores) which is subject to true-up to reflect the position as on the date of transfer of the shareholding.
- Exceptional items include :

Particulars	Three months ended		Year to date		Year ended	
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
a. Impairment of investment in HCL Services Limited	-	-	-	-	(38,000)	(42,897)
b. Impairment of investment in HCL Learning Limited	-	-	-	-	-	(4,446)
c. Provision against loan given to Subsidiary	(1,309)	-	(1,414)	(1,845)	(4,347)	(8,019)
d. Gain on sale of Subsidiary	-	-	-	-	164	-
Total (a+b+c+d) - Gain / (Loss)	(1,309)	-	(1,414)	(1,845)	(4,183)	(65,362)
- 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 Ques Corp Limited on April 11, 2018.

- Pursuant to the approval by the Board of Directors of the Company in its meeting held on February 9, 2018, the Company has divested its investments (both Equity and Optionally Convertible Debentures(OCDB)) in HCL Services Limited to Karvy Data Management Services Limited for a consideration of Rs 112.10 crores (Equity Rs 17.45 crores and OCDB Rs 94.65 crores). The consideration for OCDB 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 Ques Corp Limited)
- IT & Facility unit (transferred to HCL Infosystems Limited)
- Investment in HCL Infosys PTE Limited, Singapore including its subsidiaries (transferred to HCL Learning Limited)

- During the current quarter the company has received orders from the office of the Commissioner, Central Excise and Central Goods & Services Tax, Noida raising demands of Rs 57.30 crores and Rs 16.67 crores under Section 73 of the Finance Act, 1994. In addition to this, interest and equivalent amount of penalty have also been imposed separately under the relevant provisions of the Finance Act 1994.

The Company has obtained legal and expert opinions which support the stand of the Company. The Company has filed the Writ petition with Hon'ble High Court and a stay has been granted.

- 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
[Signature]
Rangarajan Raghavard
Managing Director

B S R & Associates LLP

Chartered Accountants

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Gurugram - 122 002, India

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Review Report to the Board of Directors of HCL Infosystems Limited

We have reviewed the accompanying statement of unaudited standalone financial results (“the financial results”) of HCL Infosystems Limited (“the Company”) for the quarter and nine months ended 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’). The financial results is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies 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.

For B S R & Associates LLP

Chartered Accountants

ICAI Registration No.: 116231 W/W-100024



Manish Gupta

Partner

Membership No. 095037

Place: Gurugram
Date: 05 February 2019

Consolidated Statement of Profit and Loss for the quarter and nine months ended December 31, 2018

Particulars	Consolidated				Year ended 31.03.2018
	31.12.2018	30.09.2018	31.12.2017	31.12.2017	
1 Income					
Revenue from operations	1,11,676	1,08,426	1,19,050	3,32,954	2,50,642
Other income	2,260	2,433	2,829	7,399	8,913
Total Income	1,13,936	1,10,859	1,21,879	3,40,353	2,59,555
2 Expenses					
(a) Cost of materials consumed	1,12,445	91,447	1,15,474	2,92,430	2,25,053
(b) Purchase of stock-in-trade	(21,574)	160	(13,135)	(13,150)	(22,540)
(c) Changes in inventories of finished goods and stock-in-trade	7,406	7,556	6,891	22,501	20,633
(d) Employee benefits expense	3,030	3,095	3,746	9,582	10,905
(e) Finance costs	536	550	626	1,618	2,143
(f) Depreciation and amortisation expense	14,849	11,344	11,521	37,384	35,482
(g) Other expenses	1,16,692	1,14,152	1,25,125	3,50,349	2,71,723
Total expenses	(2,756)	(3,293)	(3,246)	(9,996)	(12,168)
3 Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)	(2,756)	(3,293)	(3,246)	(9,996)	(12,168)
4 Exceptional items gain / (loss) (Refer note 5)	-	-	-	-	(3,142)
5 Profit / (Loss) before tax from continuing operations (3 + 4)	(2,756)	(3,293)	(3,246)	(9,996)	(15,310)
6 Tax expense / (credit)					
(a) Current tax	312	(57)	6	330	128
(b) Deferred tax expense / (credit)	(63)	113	133	50	(389)
7 Net Profit / (Loss) for the period from continuing operations (5 - 6)	(3,005)	(3,449)	(3,385)	(10,376)	(11,907)
8 Profit / (Loss) before tax from discontinued operations (Refer note 2.4)	34	60	(2,817)	305	(45,988)
9 Profit / (Loss) on disposal of discontinued operations (Refer note 3)	-	-	-	959	-
10 Tax expense / (credit) of discontinued operations (Refer note 2.4)	-	-	-	18	(621)
11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)	34	49	(2,821)	1,246	(45,367)
12 Net Profit / (Loss) for the period (7 + 11)	(2,971)	(3,300)	(6,206)	(9,130)	(16,514)
13 Other comprehensive income					
A. (a) Items that will not be reclassified to profit or loss	-	-	-	-	(31)
(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	8
B. (a) Items that will be reclassified to profit or loss	(313)	556	82	574	460
(b) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total other comprehensive income, net of income tax	(313)	556	82	574	421
14 Total comprehensive income for the period (12 + 13)	(3,284)	(2,744)	(6,124)	(8,556)	(16,993)
15 Net Profit/(Loss) attributable to:					
- Shareholders	(2,971)	(3,300)	(6,206)	(9,130)	(16,514)
- Non-controlling interests	(313)	(444)	(918)	(642)	(479)
Total comprehensive income attributable to:					
- Shareholders	(3,284)	(2,744)	(6,124)	(8,556)	(16,993)
- Non-controlling interests	(313)	(444)	(918)	(642)	(479)
16 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584
17 Reserve as per balance sheet of previous accounting year	(8,091)	(8,091)	(8,091)	(8,091)	(8,091)
18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):					
(a) Basic	(0.91)	(0.91)	(0.91)	(0.91)	(0.91)
(b) Diluted	(0.91)	(0.91)	(0.91)	(0.91)	(0.91)
19 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):					
(a) Basic	0.01	0.01	0.01	0.38	(23.68)
(b) Diluted	0.01	0.01	0.01	0.38	(23.68)
20 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):					
(a) Basic	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)
(b) Diluted	(0.90)	(0.90)	(0.90)	(0.90)	(0.90)

Particulars	Three months ended				Year to date
	31.12.2018	30.09.2018	31.12.2017	31.12.2017	
1. Segment Revenue					
- Hardware Products and Solutions	2,801	3,810	4,269	10,439	12,630
- Services *	15,412	12,028	21,612	39,946	66,227
- Distribution	95,536	93,359	1,05,904	2,10,854	87,307
- Learning	1,12,190	1,09,694	1,31,444	3,38,753	3,01,630
Total	1,12,190	1,09,694	1,31,444	3,38,753	3,01,630
Less: Intersegment revenue	(1,12,190)	(1,09,694)	(1,31,444)	(3,38,753)	(3,01,630)
Revenue from operations	1,12,190	1,09,694	1,31,444	3,38,753	3,01,630
2. Segment results (profit / (loss) before tax and interest from each segment)					
- Hardware Products and Solutions	(1,429)	(956)	(696)	(3,494)	(4,858)
- Services *	677	541	1,425	2,880	(46,008)
- Distribution	518	285	1,116	1,024	1,413
- Learning	(423)	147	(728)	628	(1,208)
Total	283	17	(1,728)	1,038	(54,647)
Less:					
i) Interest expense	3,030	3,095	4,482	9,689	17,089
ii) Other un-allocable expenditure net off un-allocable income	(25)	155	(147)	81	(690)
Total Profit / (Loss) before tax	(2,722)	(3,233)	(6,063)	(8,732)	(70,884)
3. Segment Assets					
- Hardware Products and Solutions	71,652	76,547	86,937	71,652	91,306
- Services *	20,577	22,793	37,874	20,577	34,738
- Distribution	1,22,225	1,12,422	1,12,742	1,22,225	1,05,088
- Learning	220	360	5,166	220	1,133
- Unallocated	56,996	54,683	61,357	56,996	55,544
Total Assets	2,71,670	2,66,805	3,14,076	2,71,670	2,87,789
4. Segment Liabilities					
- Hardware Products and Solutions	44,832	48,214	45,599	44,832	50,555
- Services *	7,341	8,230	22,559	7,341	19,395
- Distribution	98,662	95,199	76,983	98,662	71,722
- Learning	800	1,103	1,496	800	1,496
- Unallocated	1,05,056	95,797	1,19,937	1,05,056	1,21,580
Total Liabilities	2,56,691	2,48,543	2,66,574	2,56,691	2,64,255

* Refer Note (2-4)

K. Ramani



[Signature]

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 February 5, 2019. The results have been subjected to a limited review by the statutory auditors.
2. 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 Khalid Ahmed Khalil Al Othman, 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 6.5 crores) which is subject to true-up to reflect the position as on the date of transfer of the shareholding.

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 to date		Year ended	
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018	Audited
Total revenue (including Other income)	532	827	1,138	2,169	3,878	4,833	
Total expenditure	498	767	1,240	2,074	3,864	4,645	
Profit/(loss) before tax	34	60	(102)	95	14	188	
Tax expense	-	11	-	18	40	49	
Profit/(loss) after tax	34	49	(106)	77	(26)	139	
Total assets	3,220	3,220	(106)	77	(26)	139	
Total liabilities	2,685	2,685					

3(a). 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 Ques Corp Limited on April 11, 2018.

3(b). Pursuant to the approval by the Board of Directors of the Company in its meeting held on February 9, 2019, the Company has divested its investments (both Equity and Optionally Convertible Debentures(OCB)) in HCL Services Limited to Kary Data Management Services Limited for a consideration of Rs 112.10 crores (Equity Rs 17.45 crores and OCB Rs 94.65 crores. 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 Ques Corp Limited)
 - ii) IT & Facility unit (transferred to HCL Infosystems Limited)
 - iii) Investment in HCL Infosys PTE Limited, Singapore including its subsidiaries (transferred to HCL Learning Limited)

Place : Noida
Date : February 5, 2019



4. 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	
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018	Audited
Total revenue (including Other income)	-	-	10,782	3,116	33,156	43,383	
Total expenditure	-	-	13,487	2,906	40,158	52,916	
Profit/(loss) before exceptional items and tax	-	-	(2,715)	210	(7,002)	(9,533)	
Exceptional items gain / (loss)	-	-	-	959	(39,000)	(41,188)	
Profit/(loss) before tax	-	-	(2,715)	1,169	(46,002)	(50,721)	
Tax expense	-	-	-	-	(661)	9,835	
Profit/(loss) after tax	-	-	(2,715)	1,169	(45,341)	(60,656)	
Total assets	-	-	(2,715)	1,169	(45,341)	21,914	
Total liabilities	-	-	-	-	-	9,133	

5. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended	
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018	Audited
Impairment of goodwill for Learning Business	-	-	-	-	-	-	(3,142)
Total Gain/(Loss)	-	-	-	-	-	-	(3,142)

6. During the current quarter the company has received orders from the office of the Commissioner, Central Excise and Central Goods & Services Tax, Noida raising demands of Rs 57.30 crores and Rs 16.67 crores under Section 73 of the Finance Act, 1994. In addition to this, interest and equivalent amount of penalty have also been imposed separately under the relevant provisions of the Finance Act 1994.

The Company has obtained legal and expert opinions which support the stand of the Company. The Company has filed the Writ petition with Honble High Court and a stay has been granted.

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

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

for HCL Infosystems Limited

Ramnarain Kachhawa
Managing Director

B S R & Associates LLP

Chartered Accountants

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Gurugram - 122 002, India

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Fax: + 91 124 235 8613

Review Report to the Board of Directors of HCL Infosystems Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("the consolidated financial results") of HCL Infosystems Limited ("the Company") and its subsidiaries (collectively referred to as 'the Group') for the quarter and nine months ended 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The consolidated financial results is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial results are 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies 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.

For B S R & Associates LLP

Chartered Accountants

ICAI Registration No.: 116231W/W-100024



Manish Gupta

Partner

Membership No. 095037

Place: Gurugram

Date: 05 February 2019