

HCL INFOSYSTEMS LIMITED
Unaudited Financial Results for the quarter ended June 30, 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

Consolidated Statement of Profit and Loss for the quarter ended June 30, 2018 (Rs. In Lakhs)

Particulars	Consolidated			
	Three months ended			Year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited	Unaudited	Audited
1 Income				
Revenue from operations	113,662	106,703	57,529	361,212
Other income	2,581	4,187	2,871	12,991
Total Income	116,243	110,890	60,400	374,203
2 Expenses				
(a) Cost of materials consumed	4	14	19	35
(b) Purchase of stock-in-trade	88,538	87,736	48,778	312,813
(c) Changes in inventories of finished goods and stock-in-trade	8,264	760	(4,824)	(21,780)
(d) Employee benefits expense	8,073	7,476	7,902	30,638
(e) Finance costs	3,312	3,162	3,594	13,947
(f) Depreciation and amortisation expense	533	577	744	2,748
(g) Other expenses	11,465	16,032	8,690	52,823
Total expenses	120,189	115,757	64,903	391,224
3 Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)	(3,946)	(4,867)	(4,503)	(17,021)
4 Exceptional Items loss / (gain) (Refer note 2)	-	3,142	-	3,142
5 Profit / (Loss) before tax from continuing operations (3 - 4)	(3,946)	(8,009)	(4,503)	(20,163)
6 Tax expense / (credit)				
(a) Current tax	82	76	98	244
(b) Deferred tax expense / (credit)	-	702	(574)	313
7 Net Profit / (Loss) for the period from continuing operations (5 - 6)	(4,028)	(8,787)	(4,027)	(20,720)
8 Profit / (Loss) before Tax from discontinued operations (Refer note 3)	210	(4,719)	(2,146)	(50,721)
9 Profit/(loss) on disposal of discontinued operations (Refer note 4)	959	-	-	-
10 Tax expense / (credit) of discontinued operations (Refer note 3)	-	10,596	(661)	9,935
11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)	1,169	(15,315)	(1,485)	(60,656)
12 Net Profit / (Loss) for the period (7+ 11)	(2,859)	(24,102)	(5,512)	(81,376)
13 Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	-	(31)	1	(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	331	146	116	460
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of income tax	331	107	117	421
14 Total comprehensive income for the period (12 + 13)	(2,528)	(23,995)	(5,395)	(80,955)
15 Net Profit/(Loss) attributable to:				
- Shareholders	(2,859)	(24,102)	(5,512)	(81,376)
- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive income attributable to:				
- Shareholders	(2,528)	(23,995)	(5,395)	(80,955)
- 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	4,458	6,584
17 Reserve as per balance sheet of previous accounting year				16,950
Earnings per share for continuing operations (of Rs 2/- each) (not annualised):				
(a) Basic	(1.22)	(2.67)	(1.81)	(8.09)
(b) Diluted	(1.22)	(2.67)	(1.81)	(8.09)
19 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):				
(a) Basic	0.36	(4.65)	(0.67)	(23.68)
(b) Diluted	0.36	(4.65)	(0.67)	(23.68)
20 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):				
(a) Basic	(0.87)	(7.32)	(2.47)	(31.77)
(b) Diluted	(0.87)	(7.32)	(2.47)	(31.77)

Segment-wise information

Particulars	Three months ended			Year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited	Unaudited	Audited
1. Segment Revenue				
- Hardware Products and Solutions	3,828	5,592	4,043	18,222
- Services *	14,406	21,280	21,157	87,507
- Distribution	98,583	90,796	43,873	301,630
- Learning	62	(63)	186	313
Total	116,879	117,605	69,259	407,672
Less : Intersegment revenue	110	859	805	3,403
Revenue from operations	116,769	116,746	68,454	404,269
2. Segment results (profit / (loss) before tax and interest from each segment)				
- Hardware Products and Solutions	(1,109)	(1,748)	(755)	(4,858)
- Services *	1,662	(3,664)	(1,035)	(46,406)
- Distribution	96	(109)	(265)	1,184
- Learning	(36)	(3,363)	(320)	(4,571)
Total	613	(8,884)	(2,375)	(54,651)
Less :				
i) Interest expense	3,439	3,947	4,361	16,923
ii) Other un-allocable expenditure net off un-allocable (income)	(49)	(103)	(87)	(690)
Total Profit / (Loss) before tax	(2,777)	(12,728)	(6,649)	(70,884)
3. Segment Assets				
- Hardware Products and Solutions	87,185	91,306	121,326	91,306
- Services *	20,586	34,738	82,959	34,738
- Distribution	98,967	105,068	54,133	105,068
- Learning	691	1,133	6,645	1,133
- Unallocated	58,086	55,544	56,336	55,544
Total Assets	265,515	287,789	321,399	287,789
4. Segment Liabilities				
- Hardware Products and Solutions	55,649	50,555	56,988	50,555
- Services *	8,142	19,395	20,240	19,395
- Distribution	69,619	71,722	51,852	71,722
- Learning	1,044	1,003	1,504	1,003
- Unallocated	110,055	121,580	141,286	121,580
Total Liabilities	244,509	264,255	271,870	264,255

* 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 25, 2018. 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). 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)
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
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited	Unaudited	Audited
Total revenue (including Other income)	3,116	10,227	11,025	43,383
Total expenditure	2,906	12,758	13,171	52,916
Profit/ (loss) before exceptional items and tax	210	(2,531)	(2,146)	(9,533)
Exceptional Items loss / (gain)	(959)	2,188	-	41,188
Profit/ (loss) before tax	1,169	(4,719)	(2,146)	(50,721)
Tax expense	-	10,596	(661)	9,935
Profit/ (loss) after tax	1,169	(15,315)	(1,485)	(60,656)
Total assets		21,914		21,914
Total liabilities		9,133		9,133

4. Profit on disposal of discontinued operations for the quarter ended June 30, 2018 includes gain of Rs 9.59 crore on divestment of Care and Domestic Enterprise Services Business as mentioned in Note 2(a) and 2(b).

5. Exceptional items include :

Particulars	Three months ended			Year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
	Unaudited	Audited	Unaudited	Audited
a. Impairment of goodwill for Learning Business	-	3,142	-	3,142
Total Gain/(Loss)	-	(3,142)	-	(3,142)

6. During the current quarter, Apple India Pvt. Ltd. has informed the company that the Distribution Agreement for iPhone and other Apple Products will not be extended beyond March 30, 2019. Revenue in the current quarter from Apple business is Rs 352 crore.
7. 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.
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

Place : Noida
Date : July 25, 2018

Rangarajan Raghavan
Managing Director