

**HCL INFOSYSTEMS LIMITED**  
**Unaudited Financial Results for the quarter and six months ended September 30, 2018**  
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Consolidated Statement of Profit and Loss for the quarter and six months ended September 30, 2018 (Rs. In Lakhs)						
Particulars	Consolidated					
	Three months ended			Year to date		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income</b>						
Revenue from operations	108,428	112,852	75,472	221,278	131,592	356,463
Other income	2,356	2,581	3,139	4,937	6,024	12,907
<b>Total Income</b>	<b>110,782</b>	<b>115,433</b>	<b>78,611</b>	<b>226,215</b>	<b>137,616</b>	<b>369,370</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	-	4	-	4	19	35
(b) Purchase of stock-in-trade	91,447	88,538	60,787	179,985	109,579	312,813
(c) Changes in inventories of finished goods and stock-in-trade	160	8,264	(4,581)	8,424	(9,405)	(21,780)
(d) Employee benefits expense	7,556	7,539	6,710	15,095	13,742	27,601
(e) Finance costs	3,018	3,312	3,505	6,330	7,099	13,947
(f) Depreciation and amortisation expense	550	532	799	1,082	1,543	2,745
(g) Other expenses	11,344	11,191	15,686	22,535	23,962	51,218
<b>Total expenses</b>	<b>114,075</b>	<b>119,380</b>	<b>82,906</b>	<b>233,455</b>	<b>146,539</b>	<b>386,579</b>
<b>3 Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)</b>	<b>(3,293)</b>	<b>(3,947)</b>	<b>(4,295)</b>	<b>(7,240)</b>	<b>(8,923)</b>	<b>(17,209)</b>
4 Exceptional Items loss / (gain) (Refer note 5)	-	-	-	-	-	3,142
<b>5 Profit / (Loss) before tax from continuing operations (3 - 4)</b>	<b>(3,293)</b>	<b>(3,947)</b>	<b>(4,295)</b>	<b>(7,240)</b>	<b>(8,923)</b>	<b>(20,351)</b>
<b>6 Tax expense / (credit)</b>						
(a) Current tax	(57)	75	39	18	122	195
(b) Deferred tax expense / (credit)	113	-	52	113	(522)	313
<b>7 Net Profit / (Loss) for the period from continuing operations (5 - 6)</b>	<b>(3,349)</b>	<b>(4,022)</b>	<b>(4,386)</b>	<b>(7,371)</b>	<b>(8,523)</b>	<b>(20,859)</b>
8 Profit / (Loss) before tax from discontinued operations (Refer note 2-4)	60	211	(41,150)	271	(43,171)	(50,533)
9 Profit/(Loss) on disposal of discontinued operations (Refer note 3)	-	959	-	959	-	-
10 Tax expense / (credit) of discontinued operations (Refer note 2-4)	11	7	21	18	(625)	9,984
<b>11 Net Profit / (Loss) for the period from discontinued operations (8 + 9 - 10)</b>	<b>49</b>	<b>1,163</b>	<b>(41,171)</b>	<b>1,212</b>	<b>(42,546)</b>	<b>(60,517)</b>
<b>12 Net Profit / (Loss) for the period (7+ 11)</b>	<b>(3,300)</b>	<b>(2,859)</b>	<b>(45,557)</b>	<b>(6,159)</b>	<b>(51,069)</b>	<b>(81,376)</b>
13 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss	-	-	(1)	-	-	(31)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	8
B (i) Items that will be reclassified to profit or loss	556	331	116	887	232	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>556</b>	<b>331</b>	<b>115</b>	<b>887</b>	<b>232</b>	<b>421</b>
<b>14 Total comprehensive income for the period (12 + 13)</b>	<b>(2,744)</b>	<b>(2,528)</b>	<b>(45,442)</b>	<b>(5,272)</b>	<b>(50,837)</b>	<b>(80,955)</b>
15 Net Profit/(Loss) attributable to:						
- Shareholders	(3,300)	(2,859)	(45,557)	(6,159)	(51,069)	(81,376)
- Non-controlling interests	-	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive income attributable to:						
- Shareholders	(2,744)	(2,528)	(45,442)	(5,272)	(50,837)	(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 in Rs. 2/-)	6,584	6,584	4,460	6,584	4,460	6,584
17 Reserve as per balance sheet of previous accounting year						16,950
18 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(1.02)	(1.22)	(1.97)	(2.24)	(3.82)	(8.09)
(b) Diluted	(1.02)	(1.22)	(1.97)	(2.24)	(3.82)	(8.09)
19 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):						
(a) Basic	0.01	0.35	(18.46)	0.37	(19.08)	(23.68)
(b) Diluted	0.01	0.35	(18.46)	0.37	(19.08)	(23.68)
20 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(1.00)	(0.87)	(20.43)	(1.87)	(22.91)	(31.77)
(b) Diluted	(1.00)	(0.87)	(20.43)	(1.87)	(22.91)	(31.77)

Consolidated Balance Sheet (Rs. In Lakhs)		
Particulars	Consolidated	
	As at 30.09.2018 (Unaudited)	As at 31.03.2018 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	10,058	10,357
Capital work-in-progress	480	225
Goodwill	5,497	5,497
Other intangible assets	626	685
Financial assets		
i. Other financial assets	10,208	604
Deferred tax assets (net)	6,502	6,502
Advance income tax asset (net)	11,493	12,720
Other non-current assets	16,687	16,543
<b>Total non-current assets</b>	<b>61,551</b>	<b>53,133</b>
<b>Current assets</b>		
Inventories	21,457	29,894
Financial assets		
i. Investments	11,369	12,222
ii. Trade receivables	124,790	128,779
iii. Cash and cash equivalents	9,221	10,968
iv. Bank balances other than (iii)	3,814	2,326
v. Other financial assets	17,926	15,768
Other current assets	13,457	12,785
<b>Total current assets</b>	<b>202,034</b>	<b>212,742</b>
<b>Disposal group - assets held for sale</b>	<b>3,220</b>	<b>21,914</b>
<b>Total assets</b>	<b>266,805</b>	<b>287,789</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	6,584	6,584
Other equity	11,678	16,950
Non-controlling interests	(0.00)	(0.00)
<b>Total equity</b>	<b>18,262</b>	<b>23,534</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Borrowings	9,978	16,917
Provisions	1,085	993
Deferred tax liabilities (net)	387	251
<b>Total non-current liabilities</b>	<b>11,450</b>	<b>18,161</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	45,934	75,606
ii. Trade payables	117,809	90,838
iii. Other financial liabilities	38,204	30,435
Other current liabilities	23,857	24,699
Provisions	8,477	15,061
Current tax liabilities (net)	127	322
<b>Total current liabilities</b>	<b>234,408</b>	<b>236,961</b>
<b>Disposal group - liabilities directly associated with assets held for sale</b>	<b>2,685</b>	<b>9,133</b>
<b>Total liabilities</b>	<b>248,543</b>	<b>264,255</b>
<b>Total equity and liabilities</b>	<b>266,805</b>	<b>287,789</b>

**Segment-wise information**

Particulars	Three months ended			Year to date		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
- Hardware Products and Solutions	3,810	3,828	4,318	7,638	8,361	18,222
- Services *	12,028	14,406	23,458	26,434	44,615	87,507
- Distribution	93,599	98,583	61,457	192,182	105,330	301,630
- Learning	257	62	131	319	317	313
Total	109,694	116,879	89,364	226,573	158,623	407,672
Less : Intersegment revenue	444	110	1,258	554	2,063	3,403
<b>Revenue from operations</b>	<b>109,250</b>	<b>116,769</b>	<b>88,106</b>	<b>226,019</b>	<b>156,560</b>	<b>404,269</b>
<b>2. Segment results (profit / (loss) before tax and interest from each segment)</b>						
- Hardware Products and Solutions	(956)	(1,109)	(1,359)	(2,065)	(2,114)	(4,858)
- Services *	541	1,662	(40,282)	2,203	(41,317)	(46,406)
- Distribution	208	96	502	304	237	1,184
- Learning	147	(36)	(465)	111	(785)	(4,571)
Total	(60)	613	(41,604)	553	(43,979)	(54,651)
Less :						
i) Interest expense	3,018	3,439	4,193	6,457	8,554	16,923
ii) Other un-allocable expenditure net off un-allocable (income)	155	(49)	(353)	106	(440)	(690)
<b>Total Profit / (Loss) before tax</b>	<b>(3,233)</b>	<b>(2,777)</b>	<b>(45,444)</b>	<b>(6,010)</b>	<b>(52,093)</b>	<b>(70,884)</b>
<b>3. Segment Assets</b>						
- Hardware Products and Solutions *	76,547	87,185	108,732	76,547	108,732	91,306
- Services *	22,793	20,586	39,557	22,793	39,557	34,738
- Distribution	112,422	98,967	74,037	112,422	74,037	105,068
- Learning	360	691	5,890	360	5,890	1,133
- Unallocated	54,683	58,086	61,635	54,683	61,635	55,544
<b>Total Assets</b>	<b>266,805</b>	<b>265,515</b>	<b>289,851</b>	<b>266,805</b>	<b>289,851</b>	<b>287,789</b>
<b>4. Segment Liabilities</b>						
- Hardware Products and Solutions *	48,214	55,649	51,021	48,214	51,021	50,555
- Services *	8,230	8,142	22,582	8,230	22,582	19,395
- Distribution	95,199	69,619	72,539	95,199	72,539	71,722
- Learning	1,103	1,044	1,407	1,103	1,407	1,003
- Unallocated	95,797	110,055	138,167	95,797	138,167	121,580
<b>Total Liabilities</b>	<b>248,543</b>	<b>244,509</b>	<b>285,716</b>	<b>248,543</b>	<b>285,716</b>	<b>264,255</b>

\* Refer Note (2-4)

**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 October 25, 2018. The results have been subjected to a limited review by the statutory auditors.
- The Board of Directors of HCL Infosystems Limited in its meeting held on October 15, 2018 had approved to sell the entire shareholding held by Nurture Technologies FZE (formerly known as HCL Infosystems MEA FZE)(Step-down Subsidiary) in Gibraltar Technologies LLC (Dubai), Gibraltar Technologies LLC (Abu Dhabi) and Gibraltar Technologies WLL (Qatar). The sale will be made to a 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. Consideration of the transaction is AED 3.4 Mn (approximately equivalent Rs 6.5 Crore) which shall be adjusted on the date of transfer of the shareholding and based on the terms and conditions as specified in share purchase agreement(SPA), SPA was signed on Oct 15, 2018.

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
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue (including Other income)	827	810	1,331	1,637	2,740	4,833
Total expenditure	767	809	1,340	1,576	2,624	4,645
Profit/ (loss) before tax	60	1	(9)	61	116	188
Tax expense	11	7	21	18	36	49
Profit/ (loss) after tax	49	(6)	(30)	43	80	139
Total assets	3,220			3,220		
Total liabilities	2,685			2,685		

Place : Noida  
Date : October 25, 2018

3(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.

3(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(OCB)) 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 OCB Rs 94.65 crore, 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;

- 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)

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
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue (including Other income)	-	3,116	11,349	3,116	22,374	43,383
Total expenditure	-	2,906	13,490	2,906	26,661	52,916
Profit/ (loss) before exceptional items and tax	-	210	(2,141)	210	(4,287)	(9,533)
Exceptional Items loss / (gain)	-	(959)	39,000	(959)	39,000	41,188
Profit/ (loss) before tax	-	1,169	(41,141)	1,169	(43,287)	(60,721)
Tax expense	-	-	-	-	-	9,335
Profit/ (loss) after tax	-	1,169	(41,141)	1,169	(42,626)	(60,656)
Total assets						21,914
Total liabilities						9,133

5. Exceptional items include :

Particulars	Three months ended			Year to date		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Impairment of goodwill for Learning Business	-	-	-	-	-	3,142
Total Gain/(Loss)	-	-	-	-	-	(3,142)

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

7. 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