

HCL INFOSYSTEMS LIMITED
Unaudited Financial Results for the quarter and six months ended September 30, 2018
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Standalone Statement of Profit and Loss for the quarter and six months ended September 30, 2018

(Rs. In Lakhs)

Particulars	Standalone					
	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
1 Income						
Revenue from operations	90,316	96,758	59,374	187,074	100,042	295,030
Other income	1,397	1,549	1,319	2,946	2,422	5,272
Total Income	91,713	98,307	60,693	190,020	102,464	300,302
2 Expenses						
(a) Cost of materials consumed	-	4	-	4	19	35
(b) Purchase of stock-in-trade	83,992	85,161	61,347	169,153	104,554	303,798
(c) Changes in inventories of finished goods and stock-in-trade	3,041	8,071	(5,037)	11,112	(10,117)	(21,973)
(d) Employee benefits expense	1,806	1,808	1,254	3,614	2,760	5,896
(e) Finance costs	2,457	2,756	2,638	5,213	5,259	11,269
(f) Depreciation and amortisation expense	221	228	111	449	224	444
(g) Other expenses	2,318	2,379	1,616	4,697	3,753	8,521
Total expenses	93,835	100,407	61,929	194,242	106,452	307,990
3 Profit / (Loss) before exceptional items and tax (1 - 2)	(2,122)	(2,100)	(1,236)	(4,222)	(3,988)	(7,688)
4 Exceptional Items loss / (gain) (Refer note 3)	1,414	1,460	40,583	2,874	42,265	55,362
5 Profit / (Loss) before tax (3 - 4)	(3,536)	(3,560)	(41,819)	(7,096)	(46,253)	(63,050)
6 Tax expense / (credit)						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax expense / (credit)	-	-	-	-	(563)	107
7 Net Profit / (Loss) for the period (5 - 6)	(3,536)	(3,560)	(41,819)	(7,096)	(45,690)	(63,157)
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss	-	-	-	-	1	25
(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	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income, net of income tax	-	-	-	-	1	17
9 Total comprehensive income for the period (7 + 8)	(3,536)	(3,560)	(41,819)	(7,096)	(45,689)	(63,140)
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	4,460	6,584	4,460	6,584
11 Reserve as per balance sheet of previous accounting year						42,031
12 Earnings per share (of Rs 2/- each) (not annualised):						
(a) Basic	(1.07)	(1.08)	(18.75)	(2.16)	(20.49)	(24.66)
(b) Diluted	(1.07)	(1.08)	(18.75)	(2.16)	(20.49)	(24.66)

Standalone Balance Sheet

(Rs. In Lakhs)

Particulars	Standalone	
	As at	As at
	30.09.2018 (Unaudited)	31.03.2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	7,580	7,984
Other intangible assets	146	211
Financial assets		
i. Investments	5,609	5,609
ii. Other financial assets	9,893	141
Deferred tax assets (net)	6,355	6,355
Advance income tax (net)	3,141	2,601
Other non-current assets	14,471	14,330
Total non-current assets	47,195	37,231
Current assets		
Inventories	16,744	27,857
Financial assets		
i. Investments	11,369	10,719
ii. Trade receivables	68,193	56,088
iii. Cash and cash equivalents	4,931	4,549
iv. Bank balances other than (iii) above	262	1,198
v. Loans	55,022	71,657
vi. Others financial assets	9,151	7,049
Other current assets	9,894	8,734
Total current assets	175,566	187,851
Assets held for sale	-	599
Total assets	222,761	225,681
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,584	6,584
Other equity	34,934	42,031
Total equity	41,518	48,615
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	9,064	9,351
Provisions	749	474
Total non-current liabilities	9,813	9,825
Current liabilities		
Financial liabilities		
i. Borrowings	45,409	75,042
ii. Trade payables	97,617	72,310
iii. Other financial liabilities	25,223	16,932
Other current liabilities	2,495	2,057
Provisions	686	900
Total current liabilities	171,430	167,241
Total liabilities	181,243	177,066
Total equity and liabilities	222,761	225,681

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.
- 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
a. Impairment of investment in HCL Services Limited	-	-	38,000	-	38,000	42,897
b. Impairment of investment in HCL Learning Limited	-	-	-	-	-	4,446
c. Provision against loan given to Subsidiary	1,414	1,624	2,583	3,038	4,265	8,019
d. Gain on sale of Subsidiary	-	164	-	164	-	-
Total (a+b+c-d) - (Gain) / Loss	1,414	1,460	40,583	2,874	42,265	55,362

- 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.

- 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;

- 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)

- 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 : October 25, 2018

Rangarajan Raghavan
Managing Director