

HCL INFOSYSTEMS LIMITED
Unaudited Financial Results for the quarter and nine months ended December 31, 2018
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Standalone Statement of Profit and Loss for the quarter and nine months ended December 31, 2018 (Rs. In Lakhs)

Particulars	Standalone					
	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	105,870	276,523	205,912	295,030
Other income	1,327	1,474	1,334	4,475	3,816	5,438
Total Income	90,776	91,790	107,204	280,998	209,728	300,468
2 Expenses						
(a) Cost of materials consumed	-	-	2	4	21	35
(b) Purchase of stock-in-trade	109,340	83,992	113,378	278,493	217,932	303,798
(c) Changes in inventories of finished goods and stock-in-trade	(23,494)	3,041	(11,882)	(12,382)	(21,999)	(21,973)
(d) Employee benefits expense	1,587	1,806	1,488	5,201	4,248	5,896
(e) Finance costs	2,520	2,534	3,199	7,935	8,518	11,435
(f) Depreciation and amortisation expense	208	221	110	657	334	444
(g) Other expenses	2,210	2,318	2,179	6,907	5,932	8,521
Total expenses	92,371	93,912	108,474	286,815	214,986	308,156
3 Profit / (Loss) before exceptional items and tax (1 - 2)	(1,595)	(2,122)	(1,270)	(5,817)	(5,258)	(7,688)
4 Exceptional items gain / (loss) (Refer note 3)	(1,309)	(1,414)	(1,845)	(4,183)	(44,110)	(55,362)
5 Profit / (Loss) before tax (3 + 4)	(2,904)	(3,536)	(3,115)	(10,000)	(49,368)	(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)	(2,904)	(3,536)	(3,115)	(10,000)	(48,805)	(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)	(2,904)	(3,536)	(3,115)	(10,000)	(48,804)	(63,140)
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	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	(0.88)	(1.07)	(1.24)	(3.04)	(21.02)	(24.66)
(b) Diluted	(0.88)	(1.07)	(1.24)	(3.04)	(21.02)	(24.66)

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 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 6.5 crores) which is subject to true-up to reflect the position as on the date of transfer of the shareholding.

3. Exceptional items include :

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
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)	(6,110)	(8,019)
d. Gain on sale of Subsidiary	-	-	-	164	-	-
Total (a+b+c+d) - Gain / (Loss)	(1,309)	(1,414)	(1,845)	(4,183)	(44,110)	(55,362)

4. 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 Quesc Corp Limited on April 11, 2018.

5. 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(OCDD)) in HCL Services Limited to Karvy Data Management Services Limited for a consideration of Rs 112.10 crores (Equity Rs 17.45 crores and OCD Rs 94.65 crores, 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 Quesc 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)

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 Hon'ble High Court and a stay has been granted.

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

Place : Noida
Date : February 5, 2019