

HCL INFOSYSTEMS LIMITED
Unaudited Financial Results for the quarter and nine months ended December 31, 2017
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Standalone Statement of Profit and Loss for the quarter and nine months ended December 31, 2017 (Rs. In Lakhs)

Particulars	Standalone					
	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
1 Income						
Revenue from operations	105,870	59,374	40,648	205,912	180,273	226,536
Other income	1,185	1,153	1,175	3,427	3,150	4,761
Total Income	107,055	60,527	41,823	209,339	183,423	231,297
2 Expenses						
(a) Cost of materials consumed	2	-	13	21	59	79
(b) Purchase of stock-in-trade	113,381	61,181	38,166	217,755	163,593	207,806
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(11,882)	(5,037)	(340)	(21,999)	4,851	3,613
(d) Employee benefits expense	1,488	1,254	1,236	4,248	4,424	5,811
(e) Finance costs	3,047	2,638	2,754	8,306	7,520	10,460
(f) Depreciation and amortisation expense	110	111	119	334	365	480
(g) Other expenses	2,179	1,616	1,898	5,932	6,051	8,705
Total expenses	108,325	61,763	43,846	214,597	186,863	236,954
3 Profit / (Loss) before exceptional items and tax (1 - 2)	(1,270)	(1,236)	(2,023)	(5,258)	(3,440)	(5,657)
4 Exceptional Items loss / (gain)	1,845	40,583	2,116	44,110	4,024	32,019
5 Profit / (Loss) before tax (3 - 4)	(3,115)	(41,819)	(4,139)	(49,368)	(7,464)	(37,676)
6 Tax expense / (credit)						
(a) Current tax	-	-	(34)	-	20	631
(b) Deferred tax expense / (credit)	-	-	(833)	(563)	(1,308)	(2,068)
7 Net Profit / (Loss) for the period (5 - 6)	(3,115)	(41,819)	(3,272)	(48,805)	(6,176)	(36,239)
8 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss	-	-	1	1	2	8
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	2
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	1	2	6
9 Total comprehensive income for the period (7 + 8)	(3,115)	(41,819)	(3,271)	(48,804)	(6,174)	(36,233)
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	4,460	4,458	6,584	4,458	4,458
11 Reserve excluding revaluation reserves as per balance sheet of previous accounting year						57,749
12 Earnings per share (of Rs 2/- each) (not annualised):						
(a) Basic	(1.24)	(18.75)	(1.47)	(21.02)	(2.77)	(16.26)
(b) Diluted	(1.24)	(18.75)	(1.47)	(21.02)	(2.77)	(16.26)

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 January 31, 2018. The results have been subjected to a limited review by the statutory auditors.

2. Exceptional items include :

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
a. Impairment of investment in HCL Services Limited	-	38,000	-	38,000	-	25,000
b. Provision against loan given to Subsidiary	1,845	2,583	2,116	6,110	4,024	7,019
Total (a+b) - (Gain) / Loss	1,845	40,583	2,116	44,110	4,024	32,019

3. During the quarter ended December 31, 2017, the Company has allotted 10,61,90,299 equity shares of face value of Rs 2 each at a price of Rs 47 per equity share (including a premium of Rs 45 per equity share) on a rights basis. Pursuant to which, the paid-up share capital of the company stands increased to Rs 65.84 crores divided into 32,91,89,928 Equity Shares of Rs 2 each.

4. The Board of Directors of HCL Infosystems Limited (the Company) in its meeting held on January 31, 2018 has approved the sale of CARE business, a division of HCL Services Limited (wholly owned subsidiary), as under :

The above mentioned transaction shall be consummated in two steps:

(a) The CARE Business division shall first be transferred by HCL Services Limited to HCL Computing Products Limited (HCPL), another wholly owned subsidiary, on slump sale basis as a going concern through a Business Transfer Agreement (BTA);

(b) After completion of slump sale of the CARE Business into HCPL, the entire shareholding of HCPL held by the Company shall be sold to M/s Quess Corp Limited, (the buyer), a listed Public Limited company through Master Agreement (MA).

The total Consideration for transaction is Rs.30 Crore. The closure of transaction is subject to certain conditions listed out in BTA and MA.

5. During the current quarter, the Company has received an order from the Office of the Principal Commissioner, Central Goods and Service Tax Commissionerate, Noida raising demand of Rs 312.24 crores under rule 14 of the Cenvat Credit Rules read with the Proviso to Section 73(1) of the Finance Act, 1994. In addition to this, interest and equivalent amount of penalty has also been imposed separately under the relevant provisions of CENVAT Credit Rules read with Finance Act, 1994.

Based on legal and expert opinions obtained, the Company expects a favorable outcome on appeal.

6. 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

Premkumar Seshadri
Executive Vice-Chairman & Managing Director

Place : Noida
Date : January 31, 2018