

Statement of consolidated results for the quarter and six months ended September 30, 2017

(Rs. In Lakhs)

Particulars	Consolidated					
	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
1 Income						
Revenue from operations	88,061	68,423	1,00,010	1,56,484	2,14,709	3,73,372
Other income	3,019	2,971	3,693	5,990	7,306	14,568
Total Income	91,080	71,394	1,03,703	1,62,474	2,22,015	3,87,940
2 Expenses						
(a) Cost of materials consumed	-	19	22	19	46	79
(b) Purchase of stock-in-trade	63,510	44,663	62,510	1,08,173	1,39,275	2,34,857
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,581)	(4,824)	4,019	(9,405)	4,856	5,713
(d) Employee benefits expense	11,434	12,266	14,065	23,700	28,919	53,951
(e) Finance costs	4,193	4,361	4,785	8,554	9,222	19,029
(f) Depreciation and amortisation expense	631	816	746	1,447	1,454	3,148
(g) Other expenses	22,067	20,445	22,251	42,512	47,221	93,266
Total expenses	97,254	77,746	1,08,398	1,75,000	2,30,993	4,10,043
3 Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)	(6,174)	(6,352)	(4,695)	(12,526)	(8,978)	(22,103)
4 Exceptional Items loss / (gain)	39,000	-	-	39,000	-	5,000
5 Profit / (Loss) before tax from continuing operations (3 - 4)	(45,174)	(6,352)	(4,695)	(51,526)	(8,978)	(27,103)
6 Tax expense / (credit)						
(a) Current tax	60	98	116	158	209	1,131
(b) Deferred tax expense / (credit)	52	(1,235)	(1,318)	(1,183)	(2,419)	(5,631)
7 Net Profit / (Loss) for the period from continuing operations (5 - 6)	(45,286)	(5,215)	(3,493)	(50,501)	(6,768)	(22,603)
8 Profit / (Loss) from discontinued operations	(271)	(297)	(220)	(568)	(515)	(2,164)
9 Tax expense / (credit) of discontinued operations	-	-	-	-	-	-
10 Net Profit / (Loss) for the period from discontinued operations (8 - 9)	(271)	(297)	(220)	(568)	(515)	(2,164)
11 Net Profit / (Loss) for the period (7+ 10)	(45,557)	(5,512)	(3,713)	(51,069)	(7,283)	(24,767)
12 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss	(1)	1	1	-	3	91
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	14
B (i) Items that will be reclassified to profit or loss	116	116	(185)	232	(185)	(761)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other comprehensive income, net of income tax	115	117	(184)	232	(182)	(684)
13 Total comprehensive income for the period (11 + 12)	(45,442)	(5,395)	(3,897)	(50,837)	(7,465)	(25,451)
14 Net Profit/(Loss) attributable to:						
- Shareholders	(45,557)	(5,512)	(3,713)	(51,069)	(7,283)	(24,767)
- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive income attributable to:						
- Shareholders	(45,442)	(5,395)	(3,897)	(50,837)	(7,465)	(25,451)
- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
15 Paid-up equity share capital (Face value per share in Rs. 2/-)	4,460	4,458	4,458	4,460	4,458	4,458
16 Reserve excluding revaluation reserves as per balance sheet of previous accounting year						50,484
17 Earnings per share for continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(20.31)	(2.34)	(1.57)	(22.65)	(3.04)	(10.14)
(b) Diluted	(20.31)	(2.34)	(1.57)	(22.65)	(3.04)	(10.14)
18 Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):						
(a) Basic	(0.12)	(0.13)	(0.10)	(0.25)	(0.23)	(0.97)
(b) Diluted	(0.12)	(0.13)	(0.10)	(0.25)	(0.23)	(0.97)
19 Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):						
(a) Basic	(20.43)	(2.47)	(1.67)	(22.91)	(3.27)	(11.11)
(b) Diluted	(20.43)	(2.47)	(1.67)	(22.91)	(3.27)	(11.11)

Statement of Consolidated Assets and Liabilities

(Rs. In Lakhs)

Particulars	Consolidated	
	Unaudited as at	Audited as at
	30.09.2017	31.03.2017
ASSETS		
Non-Current Assets		
Property, plant and equipment	10,789	11,564
Capital work-in-progress	488	142
Goodwill	8,382	47,282
Other intangible assets	266	303
Financial assets		
i. Other financial assets	1,996	4,139
Deferred tax assets (net)	17,776	16,543
Advance income tax asset (net)	17,500	16,054
Other non-current assets	16,544	13,362
Total non-current assets	73,741	1,09,389
Current assets		
Inventories	22,350	14,131
Financial assets		
i. Investments	9,174	12,087
ii. Trade receivables	1,30,079	1,29,212
iii. Cash and cash equivalents	12,465	13,809
iv. Bank balances other than (iii) above	6,462	5,533
v. Loans	38	60
vi. Other financial assets	14,847	18,755
Other current assets	16,084	10,367
Total current assets	2,11,499	2,03,954
Assets classified as held for sale	4,611	5,060
Total assets	2,89,851	3,18,403
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4,460	4,458
Other equity	(325)	50,484
Non-controlling interests	(0.00)	(0.00)
Total equity	4,135	54,942
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	32,201	41,316
Provisions	1,560	1,871
Deferred tax liabilities (net)	86	35
Other non-current liabilities	51	69
Total non-current liabilities	33,898	43,291
Current liabilities		
Financial liabilities		
i. Borrowings	64,156	57,684
ii. Trade payables	1,06,619	73,697
iii. Other financial liabilities	41,568	42,644
Other current liabilities	24,994	33,079
Provisions	14,036	12,562
Current tax liabilities (net)	400	460
Total current liabilities	2,51,773	2,20,126
Liabilities directly associated with assets held for disposal	45	44
Total liabilities	2,85,716	2,63,461
Total equity and liabilities	2,89,851	3,18,403

Segment-wise information

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
1. Segment Revenue						
- Hardware Products and Solutions	4,318	4,043	7,674	8,361	19,923	36,161
- Services	23,458	21,157	24,993	44,615	49,464	94,583
- Distribution	61,457	43,873	68,589	1,05,330	1,49,029	2,47,004
- Learning	86	155	267	241	550	948
Total	89,319	69,228	1,01,523	1,58,547	2,18,966	3,78,696
Less : Intersegment revenue	1,258	805	1,513	2,063	4,257	5,324
Net Sales / Income from continuing operations	88,061	68,423	1,00,010	1,56,484	2,14,709	3,73,372
2. Segment results (profit / (loss) before tax and Interest from each segment)						
- Hardware Products and Solutions	(1,359)	(755)	973	(2,114)	2,450	(569)
- Services	(40,282)	(1,035)	(1,507)	(41,317)	(3,520)	(10,208)
- Distribution	502	(265)	145	237	663	710
- Learning	(194)	(23)	195	(217)	270	279
Total	(41,333)	(2,078)	(194)	(43,411)	(137)	(9,788)
Less :						
i) Interest expense	4,193	4,361	4,785	8,554	9,222	19,029
ii) Other un-allocable expenditure net off un-allocable (income)	(352)	(87)	(284)	(439)	(381)	(1,714)
Total Profit / (Loss) before tax from continuing operations	(45,174)	(6,352)	(4,695)	(51,526)	(8,978)	(27,103)
3. Segment Assets						
- Hardware Products and Solutions	1,08,732	1,21,326	1,49,430	1,08,732	1,49,430	1,23,850
- Services	39,557	82,959	90,597	39,557	90,597	74,053
- Distribution	74,037	54,133	36,754	74,037	36,754	44,204
- Learning	1,279	1,801	5,431	1,279	5,431	2,375
- Discontinued Operations	4,611	4,844	5,887	4,611	5,887	5,060
- Unallocated	61,635	56,336	59,403	61,635	59,403	68,861
Total Assets	2,89,851	3,21,399	3,47,502	2,89,851	3,47,502	3,18,403
4. Segment Liabilities						
- Hardware Products and Solutions	51,021	56,988	59,053	51,021	59,053	58,537
- Services	22,582	20,240	24,137	22,582	24,137	22,215
- Distribution	72,539	51,852	43,404	72,539	43,404	42,739
- Learning	1,362	1,461	1,902	1,362	1,902	1,595
- Discontinued Operations	45	43	60	45	60	44
- Unallocated	1,38,167	1,41,286	1,46,063	1,38,167	1,46,063	1,38,331
Total Liabilities	2,85,716	2,71,870	2,74,619	2,85,716	2,74,619	2,63,461

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, 2017. The results have been subjected to a limited review by the statutory auditors.
- HCL Learning Limited has entered into a business transfer arrangement on April 27, 2017 with the to M/s. Everest Edusys and Solutions Private Limited (the "Entity"), for transfer of Digischool Business undertaking. The closure of slump sale transaction is subject to certain conditions listed out in the Business Transfer Agreement. The assets and liabilities attributable to digischool business undertaking has accordingly been categorised as 'held for sale', in accordance with Ind AS 105. The results for the quarter ended September 30, 2017 and earlier periods presented above, attributable to digischool business undertaking, are presented as discontinued operations.
- Exceptional items include :

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
a. Impairment of goodwill for Services business (refer note 4)	39,000	-	-	39,000	-	5,000
Total Loss	39,000	-	-	39,000	-	5,000
- During the quarter ended 30th September 2017, the Company incurred an impairment charge of Rs 39,000 Lakhs on its goodwill for Services business. As part of its strategy, the Company continues to review and streamline including right size, disengage or winddown of components of its service offerings, segments and geographies. This has led to an impairment of goodwill in current quarter for the services business.
- Consolidated Results include financial results of HCL Infosystems Limited, and its subsidiaries.
- 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 : October 25, 2017