

HCL INFOSYSTEMS LIMITED

Unaudited Financial Results for the quarter ended June 30, 2019

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Standalone Statement of Profit and Loss for the quarter ended June 30, 2019

(Rs. In Lakhs)

Particulars	Standalone			
	Three months ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Audited	Unaudited	Audited
1 Income				
Revenue from operations	53,086	81,622	96,758	3,58,145
Other income	1,054	1,532	1,549	6,007
Total Income	54,140	83,154	98,307	3,64,152
2 Expenses				
(a) Cost of materials consumed	-	-	4	4
(b) Purchase of stock-in-trade	50,721	46,679	85,161	3,25,172
(c) Changes in inventories of finished goods and stock-in-trade	569	31,732	8,071	19,350
(d) Employee benefits expense	1,350	1,387	1,808	6,588
(e) Finance costs	2,385	2,402	2,756	10,337
(f) Depreciation and amortisation expense	225	181	228	838
(g) Other expenses	1,650	2,266	2,379	9,173
Total expenses	56,900	84,647	1,00,407	3,71,462
3 Profit / (Loss) before exceptional items and tax (1 - 2)	(2,760)	(1,493)	(2,100)	(7,310)
4 Exceptional Items (loss) / gain (Refer note 2)	(733)	(9,140)	(1,460)	(13,323)
5 Profit / (Loss) before tax (3 + 4)	(3,493)	(10,633)	(3,560)	(20,633)
6 Tax expense / (credit)				
(a) Current tax	-	-	-	-
(b) Deferred tax expense / (credit)	-	-	-	-
7 Net Profit / (Loss) for the period (5 - 6)	(3,493)	(10,633)	(3,560)	(20,633)
8 Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	-	(99)	-	(99)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
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	-	(99)	-	(99)
9 Total comprehensive income for the period (7 + 8)	(3,493)	(10,732)	(3,560)	(20,732)
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	6,584	6,584	6,584	6,584
11 Reserve as per balance sheet of previous accounting year				21,299
12 Earnings per share (of Rs 2/- each) (not annualised):				
(a) Basic	(1.06)	(3.23)	(1.08)	(6.27)
(b) Diluted	(1.06)	(3.23)	(1.08)	(6.27)

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 July 31, 2019. The results have been subjected to a limited review by the statutory auditors.

2. Exceptional items include :

Particulars	Three months ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Audited	Unaudited	Audited
a. Profit on sale of Property Plant Equipments*	624	-	-	-
b. Impairment of investment in Digilife Distribution and Marketing Services Limited	-	(5,605)	-	(5,605)
c. Provision against loan given to Subsidiary	(1,357)	(3,535)	(1,624)	(7,882)
d. Gain on sale of Subsidiary	-	-	164	164
Total (a+b+c-d) - (Loss) / Gain	(733)	(9,140)	(1,460)	(13,323)

* Exceptional gain of Rs. 624 lakhs represents profit on sale of properties situated at Plot No. 10, CTS No. 86 Lohegaon, Viman Nagar, Pune and G-8,9,10, Sector 3, Noida location under property monetisation plan, under which agreement to sale had been approved by Board on 13.05.2019 and 20.05.2019 respectively.

3. 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.

4. As communicated earlier, 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(OCD)) in HCL Services Limited to Karvy Data Management Services Limited for a consideration of Rs 11,210 lakhs (Equity Rs 1,745 lakhs and OCD Rs 9,465 lakhs, 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;

i) Care Business (divested to Quess Corp Limited)

ii) IT & Facility unit (transferred to HCL Infosystems Limited)

iii) Investment in HCL Insys PTE Limited, Singapore including its subsidiaries (transferred to HCL Learning Limited)

5. As communicated earlier, 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 650 lakhs).

6. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) and lease liability of Rs.233 lakhs. The adoption of this standard did not have any significant impact on the profit/loss for the period and earnings per share.

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 : July 31, 2019