HCL INFOSYSTEMS LTD.

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Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.
Corporate Identity Number - L72200DL1986PLC023955
www.hclinfosystems.com
www.hcl.com

31st January, 2018

To

The General Manager Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	**The Vice President** Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051

Sub: Unaudited Financial Results for the quarter/ nine months ended 31st December, 2017 as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Symbol: NSE : HCL-INSYS
BSE (For Physical Form): 179
BSE (For Demat Form): 500179

Dear Sirs,

This is further to our letter dated 22nd January, 2018 on the above subject.

In terms of the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Unaudited Financial Results of the Company on standalone and consolidated basis along with the Limited Review Report for the Quarter/ nine months ended 31st December, 2017 which have been taken on record at the meeting of the Board of Directors of the Company held today.

We are arranging to publish the results in the newspapers.

Please acknowledge receipt.

Very Truly Yours,
For HCL Infosystems Limited

HCL INFOSYSTEMS LIMITED

Sushil Kumar Jain
Company Secretary

Encl: As above.

B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

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Review Report to the Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ("the consolidated financial results") of HCL Infosystems Limited (the "Company") and its subsidiaries (collectively known as "the Group") for the quarter and nine months ended 31 December 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial results is the responsibility of the Company's Management and has been approved by the Board of Directors on 31 January 2018. Our responsibility is to issue a report on the consolidated financial results based on our review.

2. Attention is drawn to the fact that the figures for the quarter ended 31 December 2016 and for the nine months ended 31 December 2016 and for the year ended 31 March 2017 are based on previously issued consolidated financial results and annual consolidated financial statements that were reviewed / audited by the erstwhile auditors (vide their unmodified limited review report dated 31 January 2017 for the period ended 31 December 2016, and unmodified audit report dated 30 May 2017 for the year ended 31 March 2017 respectively).

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited consolidated financial results prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Registration No.: 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

Place: Gurugram
Date: 31 January 2018

HCL INFOSYSTEMS LIMITED

Unaudited Financial Results for the quarter and nine months ended December 31, 2017

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Consolidated Statement of Profit and Loss for the quarter and nine months ended December 31, 2017 (Rs. in Lakhs)

	Particulars	Consolidated					
		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	1,30,950	88,061	76,405	2,87,434	2,91,114	3,73,372
	Other income	2,779	3,019	3,927	8,769	11,233	14,568
	Total Income	1,33,729	91,080	80,332	2,96,203	3,02,347	3,87,940
2	**Expenses**						
(a)	Cost of materials consumed	2	-	13	21	59	79
(b)	Purchase of stock-in-trade	1,15,762	63,510	46,669	2,23,935	1,85,944	2,34,857
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13,135)	(4,581)	182	(22,540)	5,038	5,713
(d)	Employee benefits expense	10,381	11,434	12,827	34,081	41,746	53,951
(e)	Finance costs	4,422	4,193	4,920	12,976	14,142	19,029
(f)	Depreciation and amortisation expense	598	631	990	2,045	2,444	3,148
(g)	Other expenses	21,481	22,067	21,041	63,993	68,262	93,266
	Total expenses	1,39,511	97,254	86,642	3,14,511	3,17,635	4,10,043
3	**Profit / (Loss) before exceptional items and tax from continuing operations (1 - 2)**	(5,782)	(6,174)	(6,310)	(18,308)	(15,288)	(22,103)
4	Exceptional items loss / (gain)	-	39,000	-	39,000	-	5,000
5	**Profit / (Loss) before tax from continuing operations (3 - 4)**	(5,782)	(45,174)	(6,310)	(57,308)	(15,288)	(27,103)
6	Tax expense / (credit)						
	(a) Current tax	10	60	156	168	365	1,131
	(b) Deferred tax expense / (credit)	133	52	(1,664)	(1,050)	(4,083)	(5,631)
7	**Net Profit / (Loss) for the period from continuing operations (5 - 6)**	(5,925)	(45,286)	(4,802)	(56,426)	(11,570)	(22,603)
8	Profit / (Loss) from discontinued operations	(280)	(271)	(271)	(848)	(786)	(2,164)
9	Tax expense / (credit) of discontinued operations	-	-	-	-	-	-
10	**Net Profit / (Loss) for the period from discontinued operations (8 - 9)**	(280)	(271)	(271)	(848)	(786)	(2,164)
11	**Net Profit / (Loss) for the period (7+ 10)**	(6,205)	(45,557)	(5,073)	(57,274)	(12,356)	(24,767)
12	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss	-	(1)	3	-	6	91
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	2	-	2	14
	B (i) Items that will be reclassified to profit or loss	82	116	(350)	314	(535)	(761)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	82	115	(349)	314	(531)	(684)
13	**Total comprehensive income for the period (11 + 12)**	(6,123)	(45,442)	(5,422)	(56,960)	(12,887)	(25,451)
14	Net Profit/(Loss) attributable to:						
	- Shareholders	(6,205)	(45,557)	(5,073)	(57,274)	(12,356)	(24,767)
	- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
	Total comprehensive income attributable to:						
	- Shareholders	(6,123)	(45,442)	(5,422)	(56,960)	(12,887)	(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/-)	6,584	4,460	4,458	6,584	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	(2.36)	(20.31)	(2.15)	(24.30)	(5.19)	(10.14)
	(b) Diluted	(2.36)	(20.31)	(2.15)	(24.30)	(5.19)	(10.14)
18	Earnings per share for discontinued operations (of Rs 2/- each) (not annualised):						
	(a) Basic	(0.11)	(0.12)	(0.12)	(0.37)	(0.35)	(0.97)
	(b) Diluted	(0.11)	(0.12)	(0.12)	(0.37)	(0.35)	(0.97)
19	Earnings per share for discontinued & continuing operations (of Rs 2/- each) (not annualised):						
	(a) Basic	(2.48)	(20.43)	(2.28)	(24.66)	(5.54)	(11.11)
	(b) Diluted	(2.48)	(20.43)	(2.28)	(24.66)	(5.54)	(11.11)

Segment-wise Information

	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
1.	**Segment Revenue**						
	- Hardware Products and Solutions	4,269	4,318	6,010	12,630	25,933	36,161
	- Services	21,612	23,458	23,532	66,227	71,666	94,583
	- Distribution	1,05,504	61,457	47,581	2,10,834	1,96,610	2,47,004
	- Learning	46	86	207	287	757	948
	Total	1,31,431	89,319	77,330	2,89,978	2,94,966	3,78,696
	Less : Intersegment revenue	481	1,258	925	2,544	3,852	5,324
	Net Sales / Income from continuing operations	1,30,950	88,061	76,405	2,87,434	2,91,114	3,73,372
2.	**Segment results (profit / (loss) before tax and interest from each segment)**						
	- Hardware Products and Solutions	(996)	(1,359)	(1,014)	(3,110)	1,436	(569)
	- Services	(1,425)	(40,282)	(952)	(42,742)	(4,472)	(10,208)
	- Distribution	1,056	502	-	1,293	663	710
	- Learning	(143)	(194)	106	(360)	376	279
	Total	(1,508)	(41,333)	(1,860)	(44,919)	(1,997)	(9,788)
	Less :						
	i) Interest expense	4,422	4,193	4,920	12,976	14,142	19,029
	ii) Other un-allocable expenditure net off un-allocable (income)	(147)	(352)	(470)	(586)	(851)	(1,714)
	Total Profit / (Loss) before tax from continuing operations	(5,783)	(45,174)	(6,310)	(57,309)	(15,288)	(27,103)
3.	**Segment Assets**						
	- Hardware Products and Solutions	96,937	1,08,732	1,28,713	96,937	1,28,713	1,23,850
	- Services	37,874	39,557	89,978	37,874	89,978	74,053
	- Distribution	1,12,742	74,037	38,883	1,12,742	38,883	44,204
	- Learning	752	1,279	4,946	752	4,946	2,375
	- Discontinued Operations	4,414	4,611	5,252	4,414	5,252	5,060
	- Unallocated	61,357	61,635	76,620	61,357	76,620	68,861
	Total Assets	3,14,076	2,89,851	3,44,392	3,14,076	3,44,392	3,18,403
4.	**Segment Liabilities**						
	- Hardware Products and Solutions	45,599	51,021	57,180	45,599	57,180	58,537
	- Services	22,559	22,582	23,025	22,559	23,025	22,215
	- Distribution	76,983	72,539	34,784	76,983	34,784	42,739
	- Learning	1,456	1,362	1,742	1,456	1,742	1,595
	- Discontinued Operations	40	45	44	40	44	44
	- Unallocated	1,19,937	1,38,167	1,60,113	1,19,937	1,60,113	1,38,331
	Total Liabilities	2,66,574	2,85,716	2,76,888	2,66,574	2,76,888	2,63,461

B S R & Associates LLP * GURUGRAM * Chartered Accountants

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. HCL Learning Limited has entered into a business transfer arrangement on April 27, 2017 with the 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 December 31, 2017 and earlier periods presented above, attributable to digischool business undertaking, are presented as discontinued operations.

3. 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 goodwill for Services business	-	39,000	-	39,000	-	5,000
Total Loss	-	39,000	-	39,000	-	5,000

4. 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.

5. During the current quarter, the Company has received an order from the Office of the Principal Commissioner, Central Goods and Service Tax Commissonerate, 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. 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.

7. Consolidated Results include financial results of HCL Infosystems Limited, and its subsidiaries.

8. 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

B S R & Associates LLP
GURUGRAM
Chartered Accountants

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Review Report to the Board of Directors of HCL Infosystems Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results ("the financial results") of HCL Infosystems Limited (the "Company") for the quarter and nine months ended 31 December 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results is the responsibility of the Company's Management and has been approved by the Board of Directors on 31 January 2018. Our responsibility is to issue a report on the financial results based on our review.

2. Attention is drawn to the fact that the figures for the quarter ended 31 December 2016 and for the nine months ended 31 December 2016 and for the year ended 31 March 2017 are based on previously issued standalone financial results and annual standalone financial statements that were reviewed / audited by the erstwhile auditors (vide their unmodified limited review report dated 31 January 2017 for the period ended 31 December 2016, and unmodified audit report dated 30 May 2017 for the year ended 31 March 2017 respectively).

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying unaudited financial results prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Registration No.: 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

Place: Gurugram
Date: 31 January 2018

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	1,05,870	59,374	40,648	2,05,912	1,80,273	2,26,536
	Other income	1,185	1,153	1,175	3,427	3,150	4,761
	Total Income	1,07,055	60,527	41,823	2,09,339	1,83,423	2,31,297
2	**Expenses**						
(a)	Cost of materials consumed	2	-	13	21	59	79
(b)	Purchase of stock-in-trade	1,13,381	61,181	38,166	2,17,755	1,63,593	2,07,806
(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	1,08,325	61,763	43,846	2,14,597	1,86,863	2,36,954
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)

B S R & Associates LLP * GURUGRAM * Chartered Accountants

Place : Noida
Date : January 31, 2018

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 alloted 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 Commissonerate, 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