

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

25th October, 2017

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
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Sub: Unaudited Financial Results for the quarter ended 30th September, 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 18th October, 2017 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 and six months ended 30th September, 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


Sushil Kumar Jain
Company Secretary

Encl: As above.

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

Particulars	Consolidated					Audited Year ended 31.03.2017
	Unaudited		Unaudited		Year to Date	
	Three months ended	Year to Date	Year to Date	Year to Date		
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	
1 Income						
Revenue from operations	88,061	68,423	100,010	156,484	214,709	373,372
Other income	3,019	3,693	5,990	7,306	14,568	14,568
Total Income	91,080	71,394	103,703	162,474	222,015	387,940
2 Expenses						
(a) Cost of materials consumed	63,510	19	22	19	46	79
(b) Purchase of stock-in-trade		44,663	62,510	108,173	139,275	234,857
(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	19,022
(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	108,398	175,000	230,993	410,043
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	-	-	-	-	5,000
5 Profit / (Loss) before tax from continuing operations (3 - 4)	(45,174)	(6,352)	(4,695)	(12,526)	(8,978)	(27,103)
6 Tax expense / (credit)	60	98	116	158	209	1,131
7 Net Profit / (Loss) for the period from continuing operations (5 - 6)	(45,234)	(6,254)	(4,579)	(12,368)	(8,769)	(25,972)
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)	(45,505)	(6,551)	(4,799)	(12,936)	(9,283)	(28,136)
12 Other comprehensive income						
A (i) Items that will not be reclassified to profit or loss	(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)	(664)
13 Total comprehensive income, net of income tax	(45,390)	(6,434)	(4,983)	(12,704)	(9,465)	(28,796)
14 Net Profit/(Loss) attributable to:						
- Shareholders	(45,390)	(6,434)	(4,983)	(12,704)	(9,465)	(28,796)
- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total comprehensive income attributable to:						
- Shareholders	(45,390)	(6,434)	(4,983)	(12,704)	(9,465)	(28,796)
- Non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
15 Profit/(Loss) attributable to (Face value per share in Rs. 2/-)	4,460	4,458	4,458	4,460	4,458	50,484
16 Reserve, excluding revaluation reserves as per balance sheet of previous accounting year						
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 30.09.2017	Audited as at 31.03.2017
ASSETS				
Non-Current Assets				
Property, plant and equipment	10,789	11,564		
Capital work-in-progress	488	142		
Goodwill	8,362	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	109,389		
Current assets				
Inventories	22,350	14,131		
Financial assets				
i. Investments	9,174	12,087		
ii. Trade receivables	130,079	129,212		
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	211,499	203,954		
Assets classified as held for sale	4,611	5,060		
Total assets	289,851	318,403		
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)	36	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	106,619	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	251,773	220,126		
Total liabilities	289,851	318,403		
Total equity and liabilities	289,851	318,403		

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Segment-wise information

Particulars	Unaudited			Unaudited		Audited Year ended 31.03.2017
	Three months ended			Year to Date		
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	
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	105,330	149,029	247,004
- Learning	86	155	267	241	550	948
Total	89,319	69,228	101,523	158,547	218,966	378,696
Less : Intersegment revenue	1,258	805	1,513	2,063	4,257	5,324
Net Sales / Income from continuing operations	88,061	68,423	100,010	156,484	214,709	373,372
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)	(9,786)
Less : Interest expense	4,193	4,351	4,785	8,554	9,222	19,029
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	108,732	121,326	149,430	108,732	149,430	123,850
- 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	289,851	321,399	347,502	289,851	347,502	318,403
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	138,167	141,288	146,063	138,167	146,063	138,331
Total Liabilities	285,716	271,670	274,619	285,716	274,619	263,461

Place : Noida
Date : October 25, 2017



By order of the Board
for HCL Infosystems Limited

Prem Kumar
Prem Kumar Seshadri
Executive Vice-Chairman & Managing Director

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 October 25, 2017. 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 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.

3. Exceptional items include :

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	
a. Impairment of goodwill for Services business (refer note 4)	39,000	-	-	39,000	-	5,000
Total Loss	39,000	-	-	39,000	-	5,000

4. 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.

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

6. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current periods classification.

B S R & Associates LLP

Chartered Accountants

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DLF Cyber City, Phase - II
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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 six months ended 30 September 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 25 October 2017. 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 30 June 2017 and 30 June 2016 and for the six months ended 30 September 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 28 October 2016 and 26 July 2017 for the period ended 30 September 2016 and 30 June 2017 respectively, and unmodified audit report dated 30 May 2017 for the year ended 31 March 2017).
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: 25 October 2017

Particulars	Standalone			
	Unaudited		Audited	
	Three months ended	Year to Date	Three months ended	Year to Date
	30.09.2017	30.09.2017	30.09.2016	31.03.2017
1 Income				
Revenue from operations	59,374	40,668	63,535	226,536
Other income	1,152	1,089	2,242	4,761
Total Income	60,527	41,757	64,573	231,297
2 Expenses				
(a) Cost of materials consumed	-	19	22	79
(b) Purchase of stock-in-trade	61,181	43,193	55,316	207,806
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,037)	(5,080)	4,131	3,613
(d) Employee benefits expense	1,254	1,506	1,542	5,811
(e) Finance costs	2,638	2,821	2,523	10,460
(f) Depreciation and amortisation expense	111	113	121	246
(g) Other expenses	1,616	2,137	2,183	8,705
Total expenses	61,763	44,509	65,838	238,954
3 Profit / (Loss) before exceptional items and tax (1 - 2)	(1,236)	(2,752)	(1,265)	(5,657)
4 Exceptional items loss / (gain)	40,583	1,682	857	32,019
5 Profit / (Loss) before tax (3 - 4)	(41,819)	(4,434)	(2,122)	(37,676)
6 Tax expense / (credit)	-	-	-	-
(a) Current tax	-	-	-	-
(b) Deferred tax expense / (credit)	-	(563)	(383)	(475)
7 Net Profit / (Loss) for the period (5 - 6)	(41,819)	(3,871)	(1,749)	(36,239)
8 Other comprehensive income	-	-	-	-
A (i) Items that will not be reclassified to profit or loss	-	1	1	8
(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	-	1	-	1
9 Total comprehensive income for the period (7 + 8)	(41,819)	(3,870)	(1,749)	(36,233)
10 Paid-up equity share capital (Face value per share in Rs. 2/-)	4,460	4,458	4,458	4,458
11 Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-
12 Earnings per share (of Rs.2/- each) (not annualised):				
(a) Basic	(18.75)	(1.74)	(0.78)	(16.26)
(b) Diluted	(18.75)	(1.74)	(0.78)	(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 October 25, 2017. The results have been subjected to a limited review by the statutory auditors.

Particulars	Unaudited		Audited	
	Three months ended		Year to Date	
	30.09.2017	30.09.2016	30.09.2017	31.03.2017
a. Impairment of investment in HCL Services Limited	38,000	-	38,000	25,000
b. Provision against loan given to Subsidiary	2,583	1,682	4,265	7,019
Total (a+b) - (Gain) / Loss	40,583	1,682	42,265	32,019

3. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period's classification.



Particulars	Standalone	
	Unaudited as at	Audited as at
	30.09.2017	31.03.2017
ASSETS		
Non-current assets		
Property, plant and equipment	7,406	7,649
Capital work-in-progress	-	-
Other intangible assets	20	19
Financial assets		
i. Investments	15,553	53,551
ii. Other financial assets	50	53
Deferred tax assets (net)	7,033	6,470
Advance income tax (net)	1,771	878
Other non-current assets	13,941	10,945
Total non-current assets	45,774	79,565
Current assets		
Inventories	15,989	5,947
Financial assets		
i. Investments	5,557	12,087
ii. Trade receivables	42,065	43,200
iii. Cash and cash equivalents	6,077	6,768
iv. Bank balances other than (iv)	421	441
v. Loans	66,482	38,902
vi. Others financial assets	1,110	630
Other current assets	11,406	4,584
Total current assets	149,107	112,569
Total assets	194,881	192,134
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4,460	4,458
Other equity	12,086	57,749
Total equity	16,546	62,207
LIABILITIES		
Non-current liabilities		
Financial liabilities		
i. Borrowings	14,209	13,411
Provisions	425	533
Total non-current liabilities	14,634	13,944
Current liabilities		
Financial liabilities		
i. Borrowings	62,897	56,828
ii. Trade payables	81,513	40,217
iii. Other financial liabilities	16,039	14,462
Other current liabilities	2,550	3,766
Provisions	702	710
Total current liabilities	163,701	115,983
Total liabilities	178,335	129,927
Total equity and liabilities	194,881	192,134

By order of the Board
 for HCL Infosystems Limited

Prem Kumar Seshadri

Prem Kumar Seshadri
 Executive Vice-Chairman & Managing Director

B S R & Associates LLP

Chartered Accountants

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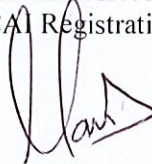
Review Report to the Board of Directors of HCL Infosystems Limited

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 six months ended 30 September 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 25 October 2017. 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 30 June 2017 and 30 September 2016 and for the six months ended 30 September 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 28 October 2016 and 26 July 2017 for the period ended 30 September 2016 and 30 June 2017 respectively, and unmodified audit report dated 30 May 2017 for the year ended 31 March 2017).
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: 25 October 2017