

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

30th July, 2016

To

The Assistant Vice President,
National Stock Exchange of India Limited,
"Exchange plaza"
Bandra-Kurla Complex,
Bandra (East)
Mumbai-400051

To

The Secretary,
BSE Limited,
P.J.Tower
Dalal Street
Fort
Mumbai-400001

Sub: Unaudited Financial Results for the quarter ended 30th June, 2016 as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

Dear Sirs,

This is further to our letter dated 21st July, 2016 on the above subject.

In terms of the requirements of Regulation 33 and Regulation 30 (2) 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 ended 30th June, 2016 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.

Particulars	Rs Lakhs		
	Consolidated		
	Unaudited Three months ended 30.06.2016	Unaudited Nine months Period ended 31.03.2016	Unaudited Nine months Period ended 31.03.2015
Gross Sales / Income from Operations	114,821	365,611	35,730
- Less: Excise Duty	22	1,571	-
1a. Net Sales / Income from Operations	114,821	365,611	35,730
1b. Other Operating Income	24	8	-
2. Expenses	80,369	260,649	75,772
a) Cost of materials consumed	837	4,113	12
b) Purchases of Stock-in-trade	14,924	46,368	260,912
c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	142	402	1,651
d) Employee benefits expense	900	3,198	374,053
e) Exchange differences Loss/ (Gain)	21,380	68,090	8,442
f) Depreciation and amortisation expense	118,596	382,828	365,611
g) Other Expenses	(3,753)	(15,646)	(8,330)
Total Expenses	3,612	13,029	(2,474)
3. Profit / (Loss) from Operations before Other Income, finance costs and exceptional items (1-2)	(141)	(2,617)	1,974
4. Other Income	4,437	12,569	(1,243)
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(4,578)	(15,186)	(10,073)
6. Finance costs	7,108	6,722	12,569
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(4,578)	(15,186)	(10,073)
8. Exceptional items Loss/ (Gain)	(4,578)	(15,186)	(10,073)
9. Profit / (Loss) from ordinary activities before Tax (7-8)	(1,008)	(1,234)	(734)
10. Tax Expense/ (Credit)	(3,570)	(21,430)	(21,908)
11. Net Profit / (Loss) from ordinary activities after Tax (9-10)	(3,570)	(21,430)	(21,908)
12. Extraordinary items (net of tax expense)	(3,570)	(21,430)	(21,908)
13. Net Profit / (Loss) for the period (11-12)	(3,570)	(21,430)	(21,908)
14. Share of Profit / (Loss) of associates	(3,570)	(21,430)	(21,908)
15. Net Profit / (Loss) after taxes, and share of Profit / (Loss) of associates (13+14)	(3,570)	(21,430)	(21,908)
16. Other Comprehensive income, net of income tax	2	8	2,052
17. Total Comprehensive Income (15 + 16)	(3,568)	(21,422)	(19,856)
18. Net profit / (loss) attributable to :	(3,570)	(21,430)	(21,908)
- Owners	(3,568)	(21,422)	(21,908)
- Non Controlling Interests	2	8	2,052
19. Total Comprehensive Income attributable to :	(3,568)	(21,422)	(19,856)
- Owners	(3,568)	(21,422)	(21,908)
- Non Controlling Interests	2	8	2,052
20. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,458	4,458	5,108
21. Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year	(1,6)	(9,6)	(9,6)
22. Earnings per Share (EPS) (not annualised) Rs./share	(1,6)	(9,6)	(9,6)
a) EPS before extra ordinary items for the period	(1,6)	(9,6)	(9,6)
- Basic	(1,6)	(9,6)	(9,6)
- Diluted	(1,6)	(9,6)	(9,6)
b) EPS after extra ordinary items for the period	(1,6)	(9,6)	(9,6)
- Basic	(1,6)	(9,6)	(9,6)
- Diluted	(1,6)	(9,6)	(9,6)

Segment-wise Information

Particulars	Rs Lakhs		
	Consolidated		
	Unaudited Three months ended 30.06.2016	Unaudited Nine months Period ended 31.03.2016	Unaudited Nine months Period ended 31.03.2015
1. Segment Revenue	12,249	8,343	35,730
- Hardware Products and Solutions (Gross)	12,249	8,343	35,730
- Less: Excise Duty	24,471	24,412	75,772
- Services	24,471	24,411	75,760
- Less: Excise Duty	90,440	76,442	260,912
- Distribution	405	474	1,651
- Learning	117,565	109,670	374,053
Total	2,744	2,758	8,442
- Less: Intersegment revenue	114,821	106,912	365,611
Net Sales / Income from Operations			
2. Segment Results (Profit / (Loss) before Tax and interest from each segment)			
- Hardware Products and Solutions	(964)	(4,072)	(8,330)
- Services	(1,322)	(1,083)	(2,474)
- Distribution	904	546	1,974
- Learning	(363)	(400)	(1,243)
Total	(1,745)	(4,909)	(10,073)
- Less :			
i) Interest Expense	4,437	4,665	12,569
ii) Other un-allocable expenditure net off un-allocable (income)	(1,604)	4,654	(734)
Total Profit / (Loss) before Tax	(4,578)	(14,228)	(21,908)
3. Capital Employed (Segment Assets - Segment Liabilities)			
- Hardware Products and Solutions	74,576	72,216	72,216
- Services	17,950	20,562	20,562
- Distribution	(4,418)	2,052	2,052
- Learning	1,802	2,025	2,025
Unallocated	10,160	5,108	5,108
- Liquid Assets	110,475	106,553	106,553
- Others unallocated	210,345	208,518	208,518
Total Capital Employed			

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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 30, 2016. The results for the current quarter have been subjected to a limited review by the statutory auditors.
2. The Indian Accounting Standards (Ind-AS), as notified under the Companies (Indian Accounting Standards) Rules, 2015, are applicable to HCL Infosystems Limited (the "Company") and its subsidiaries and a joint venture (collectively referred to as the "Group") for the accounting period commencing on or after April 1, 2016. According to Ind AS 101 "First time adoption of the Indian Accounting Standards", the transition date for adoption of Ind AS by the Group is July 1, 2015 and hence, the Group has adopted the notified Ind AS effective the transition date.
3. As required under Section 2(41) of the Companies Act, 2013, during the previous period, the Company and its subsidiaries have changed its accounting period from July - June to April - March and therefore, the previous accounting period comprised of results for nine months period ended March 31, 2016. Accordingly, in accordance with SEBI's circular CIR/CFD/FAC/62/2016 dated July 5, 2016, results for the quarter ended June 30, 2015 are not included above.
4. The Ind-AS financial results, for the quarter and nine months period ended March 31, 2016, have not been subjected to limited review or audit. The management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
5. Exceptional items include :

Particulars	Unaudited		Unaudited Nine months Period ended 31.03.2016
	Three months ended	31.03.2016	
a. (Profit) / Loss on sale of properties	•	108	(278)
b. Impairment of Goodwill (Refer note 6 below)	•	7,000	7,000
Total (a+b) - (Gain)/ Loss	•	7,108	6,722
6. Exceptional items for the quarter and nine months period ended March 31, 2016 include impairment charge in respect to Learning Business of Rs. 7000 lakhs on account of write down of part of the goodwill, which was recognized in the prior years during the process of restructuring of the Company. This write down has no impact on cash flows and brought about due to modification in the current business model and changes in the overall business environment for the segment

Place : Noida

Date July 30, 2016



7. Consolidated Results include financial results of HCL Infosystems Limited, its subsidiaries and one joint venture.
8. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period's classification.
9. The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Unaudited	
	Three months ended 31.03.2016	Nine months Period ended 31.03.2016
Net Loss as per Indian GAAP	(13,949)	(25,444)
Add / Less : Adjustments		
Impact on account of measurement of revenue at fair value	(3,450)	(5,922)
Recognition of Expected Credit Loss	320	180
Recognition / reversal of deferred tax	(1,346)	608
Unwinding of discounted receivables	2,908	8,811
Others	55	237
Net Loss as per Ind AS	(15,462)	(21,430)
Other comprehensive income	3	8
Total comprehensive income	(15,459)	(21,422)

By order of the Board
for HCL Infosystems Limited

Premkumar Seshadri

Premkumar Seshadri
Executive Vice-Chairman & Managing Director

Price Waterhouse

Chartered Accountants

The Board of Directors
HCL Infosystems Limited
E- 4, 5, 6, Sector XI,
Noida - 201301 (Uttar Pradesh)

1. We have reviewed the unaudited consolidated financial results of HCL Infosystems Limited (the "Company"), its subsidiaries and a joint venture (hereinafter referred to as the "Group") [(refer Note 7 on the Statement)] for the quarter ended June 30, 2016 which are included in the accompanying ['Statement of Consolidated results for the quarter ended June 30, 2016'] together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Group's opening unaudited consolidated Balance Sheet as at July 01, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group's 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 Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.

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Price Waterhouse

Chartered Accountants

- b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter and nine months period ended on March 31, 2016 and accordingly, we do not express any conclusion on the consolidated results in the Statement for the quarter and nine months period ended March 31, 2016. As set out in note 4 and 9 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E



Avijit Mukerji
Partner

Membership Number: 056155

Place: Kolkata
Date: July 30, 2016

Part I. Statement of Standalone results for the quarter ended June 30, 2016

Particulars	Standalone		Unaudited Nine months Period ended 31.03.2016
	Unaudited Three months ended 30.06.2016	Unaudited Three months ended 31.03.2016	
Net sales/income from operations	76,090	72,124	249,927
- Less: Excise Duty	76,090	72,124	249,926
1a Net sales/income from operations (net of excise duty)	16	608	608
1b Other Operating Income	24	8	8
2. Expenses	70,111	67,170	232,193
a) Cost of materials consumed	1,060	965	3,123
b) Purchases of Stock-in-trade	1,646	1,825	6,028
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	113	(16)	47
d) Employee benefits expense	125	130	412
e) Exchange Differences/ Loss/ (Gain)	1,872	3,380	10,139
f) Depreciation and amortisation expense	74,951	73,452	251,950
g) Other Expenses	1,155	(730)	(1,416)
Total Expenses	806	957	7,262
3. Profit / (Loss) from Operations before Other Income, finance costs and exceptional items(1-2)	2,091	227	5,846
4. Other income	2,243	2,222	8,152
5. Profit / (Loss), from ordinary activities before finance costs and exceptional items (3+4)	(152)	(1,995)	(2,306)
6 Finance costs	1,051	13,642	15,901
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,203)	(15,637)	(18,207)
8 Exceptional items loss/ (Gain)	(48)	318	526
9. Profit / (Loss) from ordinary activities before Tax (7-8)	(1,155)	(15,955)	(18,733)
10 Tax Expense/ (Credit)	(1,155)	(15,955)	(18,733)
11. Net Profit / (Loss) from ordinary activities after Tax (9-10)	1	1	4
12 Extraordinary items (net of tax expense)	(1,154)	(15,954)	(18,729)
13. Net Profit / (Loss) for the period (11-12)	4,458	4,458	4,458
14 Other Comprehensive income, net of income tax	53,981	53,981	53,981
15. Total Comprehensive Income (13 + 14)	(1,154)	(15,954)	(18,729)
16 Paid-up Equity Share Capital (Face value per share in Rs 2/-)			
17 Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year	(0.5)	(7.2)	(8.4)
18 Earnings per Share (EPS) (not annualised) Rs./share	(0.5)	(7.2)	(8.4)
a) EPS before extra ordinary items for the period	(0.5)	(7.2)	(8.4)
b) EPS after extra ordinary items for the period	(0.5)	(7.2)	(8.4)
- Basic	(0.5)	(7.2)	(8.4)
- Diluted	(0.5)	(7.2)	(8.4)

- 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 July 30, 2016. The results for the current quarter have been subjected to a limited review by the statutory auditors.
 - The Indian Accounting Standards (Ind-AS), as notified under the Companies (Indian Accounting Standards) Rules, 2015, are applicable to HCL Infosystems Limited (the "Company") for the accounting period commencing on or after April 1, 2016. According to Ind AS 101 "First time adoption of the Indian Accounting Standards", the transition date for adoption of Ind AS by the Company is July 1, 2015 and hence, the Company has adopted the notified Ind AS effective the transition date.
 - As required under Section 2(41) of the Companies Act, 2013, during the previous period, the Company has changed its accounting period from July - June to April - March and therefore, the previous accounting period comprised of results for nine months period ended March 31, 2016. Accordingly, in accordance with SEBI's circular CIRCFD/FAC/62/2016 dated July 5, 2016, results for the quarter ended June 30, 2016 are not included above.
 - The Ind-AS financial results, for the quarter and nine months period ended March 31, 2016, have not been subjected to limited review or audit. The management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
 - Exceptional items include:

Particulars	Unaudited		Unaudited Nine months Period ended 31.03.2016
	Three months ended 30.06.2016	Three months ended 31.03.2016	
a. Provision for diminution in the value of investment in HCL Learning Limited	-	12,200	12,200
b. Provision against LCDs given to Subsidiaries	1,051	1,334	3,979
c. (Profit) / Loss on sale of properties	-	108	(278)
Total (a+b+c) - (Gain) / Loss	1,051	13,642	15,901

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

The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Unaudited	
	Three months ended 31.03.2016	Nine months Period ended 31.03.2016
Net Loss as per Indian GAAP	(17,918)	(21,027)
Add/Less: Adjustments		
Reversal of impairment of long term investments	2,618	3,459
Recognition of Expected Credit Loss	(400)	(777)
Recognition / reversal of deferred tax	(322)	(407)
Others	67	19
Net Loss as per Ind AS	(15,955)	(18,733)
Other comprehensive income	1	4
Total comprehensive income	(15,954)	(18,729)

By order of the Board
 for HCL Infosystems Limited


Prem Kumar Seshadri
 Executive Vice-Chairman & Managing Director



Price Waterhouse

Chartered Accountants

The Board of Directors
HCL Infosystems Limited
E- 4, 5, 6, Sector XI,
Noida - 201301 (Uttar Pradesh)

1. We have reviewed the unaudited financial results of HCL Infosystems Limited (the "Company") for the quarter ended June 30, 2016 which are included in the accompanying ['Statement of Standalone results for the quarter ended June 30, 2016'] together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at July 01, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. 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 Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.

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Chartered Accountants

- b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter and nine months period ended on March 31, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter and nine months period ended March 31, 2016. As set out in note 4 and 7 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E



Avijit Mukerji
Partner

Membership Number: 056155

Place: Kolkata
Date: July 30, 2016