

**HCL INFOSYSTEMS LIMITED**  
**Unaudited Financial Results for the Quarter ended December 31, 2016**  
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Statement of Consolidated Results for the quarter and nine months ended December 31, 2016

(Rs. In Lakhs)

Particulars	Consolidated					
	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Nine Months period Ended 31.03.2016
	31.12.2016	30.09.2016	31.12.2015	Nine Months Ended 31.12.2016	Six Months Ended 31.12.2015	
1	Income from operations					
	(a) Net sales/Income from operations	76,464	1,00,162	1,11,788	2,91,447	2,58,710
	(b) Other operating income	-	-	-	1	988
	<b>Total Income from operations</b>	<b>76,464</b>	<b>1,00,162</b>	<b>1,11,788</b>	<b>2,91,448</b>	<b>2,58,710</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	13	22	-	59	-
	(b) Purchase of stock-in-trade	50,496	66,557	81,062	1,97,442	1,87,016
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	182	4,019	737	5,038	1,484
	(d) Employee benefits expense	12,859	14,127	16,139	41,910	31,215
	(e) Depreciation and amortisation expense	1,185	940	1,117	3,025	2,208
	(f) Other expenses	16,878	18,320	19,649	56,699	45,720
	<b>Total expenses</b>	<b>81,613</b>	<b>1,03,985</b>	<b>1,18,704</b>	<b>3,04,173</b>	<b>2,67,643</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>(5,149)</b>	<b>(3,823)</b>	<b>(6,916)</b>	<b>(12,725)</b>	<b>(8,933)</b>
4	Other Income	3,488	3,693	4,235	10,793	8,771
5	<b>Profit / (Loss) before finance costs and exceptional items (3 + 4)</b>	<b>(1,661)</b>	<b>(130)</b>	<b>(2,681)</b>	<b>(1,932)</b>	<b>(162)</b>
6	Finance costs	4,920	4,785	4,194	14,142	7,904
7	<b>Profit / (Loss) before exceptional items (5 - 6)</b>	<b>(6,581)</b>	<b>(4,915)</b>	<b>(6,875)</b>	<b>(16,074)</b>	<b>(8,066)</b>
8	Exceptional Items Loss / (Gain)	-	-	-	-	(386)
9	<b>Profit / (Loss) before tax (7 - 8)</b>	<b>(6,581)</b>	<b>(4,915)</b>	<b>(6,875)</b>	<b>(16,074)</b>	<b>(7,680)</b>
10	Tax expense / (Credit)	(1,508)	(1,202)	(1,193)	(3,718)	(1,712)
11	<b>Net Profit / (Loss) for the period before share of profit / (loss) of associates and joint ventures (9 - 10)</b>	<b>(5,073)</b>	<b>(3,713)</b>	<b>(5,682)</b>	<b>(12,356)</b>	<b>(5,968)</b>
12	Share of Profit / (loss) of associates and joint ventures	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11 + 12)</b>	<b>(5,073)</b>	<b>(3,713)</b>	<b>(5,682)</b>	<b>(12,356)</b>	<b>(5,968)</b>
14	Other comprehensive income, net of income tax					
	A. Items that will not be reclassified to profit or loss	1	1	3	4	5
	B. Items that will be reclassified to profit or loss	(350)	(185)	81	(535)	380
	<b>Total other comprehensive income, net of income tax</b>	<b>(349)</b>	<b>(184)</b>	<b>84</b>	<b>(531)</b>	<b>385</b>
15	<b>Total comprehensive income for the period (13 + 14)</b>	<b>(5,422)</b>	<b>(3,897)</b>	<b>(5,598)</b>	<b>(12,887)</b>	<b>(5,583)</b>
16	Net Profit/(Loss) attributable to:					
	- Owners	(5,073)	(3,713)	(5,682)	(12,356)	(5,968)
	- Non-controlling interests	-	-	-	-	-
	Total comprehensive income attributable to:					
	- Owners	(5,422)	(3,897)	(5,598)	(12,887)	(5,583)
	- Non-controlling interests	-	-	-	-	-
17	Paid-up equity share capital (Face value per share in Rs. 2/-)	4,458	4,458	4,458	4,458	4,458
18	Reserve excluding revaluation reserves as per balance sheet of previous accounting year					75,935
19	Earnings per share (of Rs 2/- each) (not annualised):					
	(a) Basic	(2.3)	(1.7)	(2.5)	(5.5)	(2.7)
	(b) Diluted	(2.3)	(1.7)	(2.5)	(5.5)	(2.7)

Segment-wise Information

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Nine Months period Ended 31.03.2016
	31.12.2016	30.09.2016	31.12.2015	Nine Months Ended 31.12.2016	Six Months Ended 31.12.2015	
<b>1. Segment Revenue</b>						
- Hardware Products and Solutions (Net)	6,010	7,674	11,096	25,933	27,387	35,730
- Services (Net)	23,355	24,993	25,896	72,819	51,360	75,772
- Distribution	47,581	68,589	78,078	1,96,610	1,84,470	2,60,912
- Learning	266	419	482	1,090	1,177	1,651
Total	77,212	1,01,675	1,15,552	2,96,452	2,64,394	3,74,065
Less : Intersegment revenue	748	1,513	3,764	5,005	5,684	8,442
<b>Net Sales / Income from Operations</b>	<b>76,464</b>	<b>1,00,162</b>	<b>1,11,788</b>	<b>2,91,447</b>	<b>2,58,710</b>	<b>3,65,623</b>
<b>2. Segment Results (Profit / (Loss) before Tax and Interest from each segment)</b>						
- Hardware Products and Solutions	(1,014)	973	(1,478)	1,436	1,490	263
- Services	(952)	(1,507)	(1,423)	(4,472)	(2,361)	(3,984)
- Distribution	-	145	287	663	423	644
- Learning	(165)	(25)	(368)	(410)	(595)	(7,907)
Total	(2,131)	(414)	(2,982)	(2,783)	(1,043)	(10,984)
Less :						
i) Interest Expense	4,920	4,785	4,194	14,142	7,904	12,569
ii) Other un-allocable expenditure net off un-allocable (income)	(470)	(284)	(301)	(851)	(1,267)	(1,645)
<b>Total Profit / (Loss) before Tax</b>	<b>(6,581)</b>	<b>(4,915)</b>	<b>(6,875)</b>	<b>(16,074)</b>	<b>(7,680)</b>	<b>(21,908)</b>
<b>3. Segment Assets</b>						
- Hardware Products and Solutions	1,28,713	1,49,430	1,67,038	1,28,713	1,67,038	1,55,898
- Services	89,978	90,597	96,891	89,978	96,891	94,711
- Distribution	38,883	36,703	48,223	38,883	48,223	49,128
- Learning	10,198	11,318	22,447	10,198	22,447	14,248
Unallocated						
- Liquid Assets	12,076	11,598	16,207	12,076	16,207	5,108
- Others unallocated	64,544	47,805	35,882	64,544	35,882	38,554
<b>Total Assets</b>	<b>3,44,392</b>	<b>3,47,451</b>	<b>3,86,688</b>	<b>3,44,392</b>	<b>3,86,688</b>	<b>3,57,647</b>
<b>4. Segment Liabilities</b>						
- Hardware Products and Solutions	57,180	59,053	84,992	57,180	84,992	71,858
- Services	23,025	24,137	22,734	23,025	22,734	21,550
- Distribution	34,784	43,314	43,731	34,784	43,731	47,076
- Learning	1,786	1,962	2,269	1,786	2,269	2,140
Unallocated						
- Others unallocated	1,60,113	1,46,057	1,37,224	1,60,113	1,37,224	1,34,630
<b>Total Segment Liabilities</b>	<b>2,76,888</b>	<b>2,74,523</b>	<b>2,90,950</b>	<b>2,76,888</b>	<b>2,90,950</b>	<b>2,77,254</b>

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 January 31, 2017. The results 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") and its subsidiaries (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.
- 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. Therefore, the year to date results in previous year for period ended December 31, 2015 are for six months as against nine months for the period ended December 31, 2016 in current year, hence are not comparable.

- Exceptional items include :

Particulars	Unaudited			Unaudited		Audited
	Three months ended			Year to Date		Nine Months Period ended 31.03.2016
	31.12.2016	30.09.2016	31.12.2015	Nine months ended 31.12.2016	Six months ended 31.12.2015	
a. (Profit) / Loss on sale of properties	-	-	-	-	(386)	(278)
b. Impairment of Goodwill (Refer note 5)	-	-	-	-	-	7,000
Total (a+b) - (Gain) / Loss	-	-	-	-	(386)	6,722

- Exceptional items for the 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 had no impact on cash flows and was brought about due to modification in the current business model and changes in the overall business environment for the segment.
- Consolidated Results include financial results of HCL Infosystems Limited, and its subsidiaries. The Company has sold its investments in Nokia HCL Mobile Internet Services Limited (Joint Venture) during the previous quarter ended 30th Sept'16.

Place : Noida  
Date : January 31 , 2017

- 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	Unaudited	Audited
	Three Months Ended	Six Months Ended	Nine Months Period Ended
	31.12.2015	31.12.2015	31.03.2016
Net (Loss) as per Indian GAAP	(6,571)	(11,495)	(25,444)
<b>Add / (Less) : Adjustments</b>			
Impact on account of measurement of revenue at fair value	(3,307)	(2,372)	(5,822)
Recognition of Expected Credit Loss	96	(140)	180
Recognition / reversal of deferred tax Assests	1,362	1,954	608
Unwinding of discounted receivables	2,843	5,903	8,811
Others	(105)	182	237
<b>Net (Loss) as per Ind AS</b>	<b>(5,682)</b>	<b>(5,968)</b>	<b>(21,430)</b>
Other comprehensive income	84	385	502
<b>Total comprehensive income</b>	<b>(5,598)</b>	<b>(5,583)</b>	<b>(20,928)</b>

- 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