

**HCL INFOSYSTEMS LTD.**

Corporate Office: E-4, Sector 11, NOIDA 201 301, U.P., India  
Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791  
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.  
Corporate Identity Number - L72200DL1986PLC023955  
www.hclinfosystems.com

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14<sup>th</sup> June, 2016

To

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

To

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

**Sub: Discrepancies in the Profit / Loss from operations before other income of the Company for the Quarter/ Year ended March, 2016.**

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

Dear Sirs,

With reference to the mail dated 14<sup>th</sup> June, 2016 from **BSE Limited**, we wish to inform you that there is a Typo error of Rs. 11 Lacs in the Consolidated results for the Quarter ending 31<sup>st</sup> March 2016 in 'Other Expenses' and 'Total Expenses'. However there is no change in the Profit / Loss from operations before other income and rest of the numbers.

1. Kindly consider 'Other Expenses' as '23,351' instead of '23,340' and 'Total Expenses' as '1,15,728' instead of '1,15,717'

The rectified result sheet with corrections duly made has been uploaded on your website.

The inadvertent error of Rs. 11 Lacs is regretted. Please consider the rectified Financial Result for the Quarter/ Year ended for March, 2016.

Thanking you

Very Truly Yours,  
**For HCL Infosystems Limited**

  
Sushil Kumar Jain  
Company Secretary

**Encl: As above**



Part I- Statement of Consolidated results for the year ended March 31, 2016

Rs Lakhs

| Particulars                                                                                                          | Consolidated       |            |            |                          |            |            |
|----------------------------------------------------------------------------------------------------------------------|--------------------|------------|------------|--------------------------|------------|------------|
|                                                                                                                      | Unaudited          |            |            | Audited                  |            |            |
|                                                                                                                      | Three months ended |            |            | Year ended (Nine Months) |            |            |
|                                                                                                                      | 31.03.2016         | 31.12.2015 | 31.03.2015 | 31.03.2016               | 31.03.2015 | 30.06.2015 |
| - Gross Sales / Income from Operations                                                                               | 110,079            | 114,658    | 137,619    | 371,797                  | 450,939    | 619,489    |
| - Less: Excise Duty                                                                                                  | 1                  | 3          | -          | 12                       | 5          | -          |
| 1a. Net Sales / Income from Operations                                                                               | 110,078            | 114,655    | 137,619    | 371,785                  | 450,934    | 619,489    |
| 1b. Other Operating Income                                                                                           | 1,571              | -          | 218        | 1,571                    | 375        | 2,894      |
| <b>2. Expenses</b>                                                                                                   |                    |            |            |                          |            |            |
| a) Cost of materials consumed                                                                                        | 8                  | -          | 97         | 8                        | 1,319      | 1,326      |
| b) Purchases of Stock-in-trade                                                                                       | 73,519             | 80,625     | 100,944    | 261,452                  | 329,521    | 453,606    |
| c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade                                     | 2,629              | 737        | 1,573      | 4,113                    | 13,306     | 16,925     |
| d) Employee benefits expense                                                                                         | 15,149             | 16,135     | 14,435     | 46,364                   | 42,992     | 58,218     |
| e) Exchange Differences Loss/ (Gain)                                                                                 | 82                 | 197        | 82         | 402                      | 553        | 601        |
| f) Depreciation and amortisation expense                                                                             | 990                | 1,117      | 1,296      | 3,198                    | 3,901      | 5,190      |
| g) Other Expenses                                                                                                    | 23,351             | 19,639     | 22,388     | 68,731                   | 69,898     | 98,548     |
| <b>Total Expenses</b>                                                                                                | 115,728            | 118,450    | 140,815    | 384,268                  | 461,490    | 634,414    |
| <b>3. Profit / (Loss) from Operations before Other Income, finance costs and exceptional items(1-2)</b>              | (4,079)            | (3,795)    | (2,978)    | (10,912)                 | (10,181)   | (12,031)   |
| 4. Other Income                                                                                                      | 1,288              | 1,459      | 1,622      | 4,187                    | 4,608      | 6,057      |
| <b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>                  | (2,791)            | (2,336)    | (1,356)    | (6,725)                  | (5,573)    | (5,974)    |
| 6. Finance costs                                                                                                     | 4,162              | 4,066      | 3,662      | 11,867                   | 10,366     | 14,278     |
| <b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>            | (6,953)            | (6,402)    | (5,018)    | (18,592)                 | (15,939)   | (20,251)   |
| 8. Exceptional Items loss/ (Gain)                                                                                    | 7,108              | -          | (485)      | 6,722                    | (2,554)    | (2,894)    |
| <b>9. Profit / (Loss) from ordinary activities before Tax (7-8)</b>                                                  | (14,061)           | (6,402)    | (4,533)    | (25,314)                 | (13,385)   | (17,357)   |
| 10. Tax Expense/ (Credit)                                                                                            | (112)              | 169        | 183        | 130                      | 939        | 1,110      |
| <b>11. Net Profit / (Loss) from ordinary activities after Tax (9-10)</b>                                             | (13,949)           | (6,571)    | (4,716)    | (25,444)                 | (14,324)   | (18,467)   |
| 12. Extraordinary items (net of tax expense)                                                                         | -                  | -          | -          | -                        | -          | -          |
| <b>13. Net Profit / (Loss) for the period (11-12)</b>                                                                | (13,949)           | (6,571)    | (4,716)    | (25,444)                 | (14,324)   | (18,467)   |
| 14. Share of Profit / (Loss) of associates                                                                           | -                  | -          | -          | -                        | -          | -          |
| 15. Minority Interest                                                                                                | -                  | -          | -          | -                        | -          | -          |
| <b>16. Net Profit / ( Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)</b> | (13,949)           | (6,571)    | (4,716)    | (25,444)                 | (14,324)   | (18,467)   |
| 17. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)                                                   | 4,458              | 4,458      | 4,458      | 4,458                    | 4,458      | 4,458      |
| 18. Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year                     |                    |            |            | 96,346                   |            | 121,292    |
| 19. Earnings per Share (EPS) (not annualised) Rs./share                                                              |                    |            |            |                          |            |            |
| a) EPS before extra ordinary items for the period                                                                    |                    |            |            |                          |            |            |
| - Basic                                                                                                              | (6.3)              | (2.9)      | (2.1)      | (11.4)                   | (6.4)      | (8.3)      |
| - Diluted                                                                                                            | (6.3)              | (2.9)      | (2.1)      | (11.4)                   | (6.4)      | (8.3)      |
| b) EPS after extra ordinary items for the period                                                                     |                    |            |            |                          |            |            |
| - Basic                                                                                                              | (6.3)              | (2.9)      | (2.1)      | (11.4)                   | (6.4)      | (8.3)      |
| - Diluted                                                                                                            | (6.3)              | (2.9)      | (2.1)      | (11.4)                   | (6.4)      | (8.3)      |

Statement of Assets and Liabilities

Rs. Lakhs

| Particulars                                | Consolidated             |                          |
|--------------------------------------------|--------------------------|--------------------------|
|                                            | Audited As at 31.03.2016 | Audited As at 30.06.2015 |
| <b>A EQUITY AND LIABILITIES</b>            |                          |                          |
| <b>Shareholders' funds</b>                 |                          |                          |
| Share capital                              | 4,458                    | 4,458                    |
| Reserves and surplus                       | 96,346                   | 121,292                  |
| <b>Sub-Total - Shareholders' funds</b>     | <b>100,804</b>           | <b>125,750</b>           |
| <b>Non Current Liabilities</b>             |                          |                          |
| Long term Borrowings                       | 54,215                   | 23,594                   |
| Deferred tax Liabilities                   | 73                       | 93                       |
| Other Long term Liabilities                | 1,701                    | 2,010                    |
| Long term Provisions                       | 1,983                    | 1,447                    |
| <b>Sub-Total - Non Current Liabilities</b> | <b>57,972</b>            | <b>27,144</b>            |
| <b>Current Liabilities</b>                 |                          |                          |
| Short-term borrowings                      | 45,363                   | 64,388                   |
| Trade payables                             | 88,807                   | 107,312                  |
| Other current liabilities                  | 57,616                   | 68,468                   |
| Short-term provisions                      | 1,486                    | 1,638                    |
| <b>Sub-Total - Current Liabilities</b>     | <b>193,272</b>           | <b>241,806</b>           |
| <b>Total - EQUITY AND LIABILITIES</b>      | <b>352,048</b>           | <b>394,700</b>           |
| <b>B ASSETS</b>                            |                          |                          |
| <b>Non-current assets</b>                  |                          |                          |
| Fixed Assets                               | 22,086                   | 23,300                   |
| Goodwill on consolidation                  | 51,082                   | 57,838                   |
| Non-current investments                    | 2                        | -                        |
| Deferred tax assets (net)                  | 37                       | 43                       |
| Long-term loans and advances               | 24,865                   | 11,998                   |
| Other non-current assets                   | 8,598                    | 15,339                   |
| <b>Sub-Total - Non Current assets</b>      | <b>106,670</b>           | <b>108,518</b>           |
| <b>Current Assets</b>                      |                          |                          |
| Current investments                        | 4,997                    | 23,484                   |
| Inventories                                | 21,420                   | 25,474                   |
| Trade receivables                          | 93,122                   | 87,129                   |
| Cash and bank balances                     | 21,834                   | 13,441                   |
| Short-term loans and advances              | 18,115                   | 21,923                   |
| Other current assets                       | 85,890                   | 114,731                  |
| <b>Sub-Total - Current assets</b>          | <b>245,378</b>           | <b>286,182</b>           |
| <b>Total Assets</b>                        | <b>352,048</b>           | <b>394,700</b>           |

For HCL Infosystems Limited

  
Sushil Kumar Jain  
Company Secretary

## Notes

1 Section 2(41) of the Companies Act, 2013 requires all the companies to have their financial year ending on 31st March. The Company has adopted this change from current financial year and accordingly, the current financial year of the company is for a nine month period from 1st July, 2015 to 31st March, 2016 (hereinafter referred as "Year ended 31 March, 2016"). Accordingly, the figures for the current financial year are not comparable to those of previous year.

2 After recommendation by the Audit Committee, these results have been approved and taken on record by the Board of Directors in their meeting held on May 25, 2016. The results for year ended March 31, 2016 have been audited by the statutory auditors.

3 Exceptional items include :

| Particulars                                                 | Unaudited          |            |            | Audited                  |                            |
|-------------------------------------------------------------|--------------------|------------|------------|--------------------------|----------------------------|
|                                                             | Three months ended |            |            | Year ended (Nine Months) | Year ended (Twelve Months) |
|                                                             | 31.03.2016         | 31.12.2015 | 31.03.2015 | 31.03.2016               | 31.03.2015                 |
| a. Inventory write off due to phasing out of a product line | -                  | -          | -          | -                        | 460                        |
| b. Profit on sale of Subsidiary                             | -                  | -          | -          | -                        | 1,963                      |
| c. Profit / (Loss) on sale of properties                    | (108)              | -          | 485        | 278                      | 1,051                      |
| d. Impairment of Goodwill (Refer note 5 below)              | (7,000)            | -          | -          | (7,000)                  | -                          |
| Total (a-b-c-d) - (Gain) / Loss                             | 7,108              | -          | (485)      | 6,722                    | (2,554)                    |

4 The amounts for the quarter ended March 31, 2016 represent difference between the amounts as per audited year ended accounts and the year to date results up to December 31, 2015 which have been subjected to limited review.

5 In respect to Learning Business, the company in the current quarter has recognized an impairment charge of Rs. 70 Cr 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.

6 Consolidated Results include financial results of HCL Infosystems Limited (the parent company), its subsidiaries and one jointly controlled entity.

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

## Segment-wise Information

Rs Lakhs

| Particulars                                                                          | Consolidated       |                |                |                          |                   |                 |
|--------------------------------------------------------------------------------------|--------------------|----------------|----------------|--------------------------|-------------------|-----------------|
|                                                                                      | Unaudited          |                |                | Audited                  | Unaudited         | Audited         |
|                                                                                      | Three months ended |                |                | Year ended (Nine Months) | Nine months ended | (Twelve Months) |
|                                                                                      | 31.03.2016         | 31.12.2015     | 31.03.2015     | 31.03.2016               | 31.03.2015        | 30.06.2015      |
| <b>1. Segment Revenue</b>                                                            |                    |                |                |                          |                   |                 |
| - Hardware Products and Solutions (Gross)                                            | 11,509             | 13,966         | 21,510         | 41,904                   | 71,090            | 95,757          |
| Less: Excise Duty                                                                    | -                  | -              | -              | -                        | 5                 | -               |
| - Hardware Products and Solutions (Net)                                              | 11,509             | 13,966         | 21,510         | 41,904                   | 71,085            | 95,757          |
| - Services                                                                           | 24,412             | 25,896         | 24,926         | 75,772                   | 69,086            | 94,855          |
| Less: Excise Duty                                                                    | 1                  | 3              | -              | 12                       | -                 | -               |
| - Services (Net)                                                                     | 24,411             | 25,893         | 24,926         | 75,760                   | 69,086            | 94,855          |
| - Distribution                                                                       | 76,442             | 78,078         | 93,868         | 260,912                  | 319,152           | 437,350         |
| - Learning                                                                           | 474                | 482            | 578            | 1,651                    | 2,586             | 3,306           |
| Total                                                                                | 112,836            | 118,419        | 140,882        | 380,226                  | 461,909           | 631,268         |
| Less : Intersegment revenue                                                          | 2,757              | 3,764          | 3,263          | 8,442                    | 10,975            | 11,779          |
| <b>Net Sales / Income from Operations</b>                                            | <b>110,078</b>     | <b>114,655</b> | <b>137,619</b> | <b>371,785</b>           | <b>450,934</b>    | <b>619,489</b>  |
| <b>2 Segment Results (Profit / (Loss) before Tax and Interest from each segment)</b> |                    |                |                |                          |                   |                 |
| - Hardware Products and Solutions                                                    | (1,077)            | (1,005)        | (2,285)        | (3,144)                  | (9,465)           | (10,523)        |
| - Services                                                                           | (1,192)            | (835)          | (39)           | (2,259)                  | (589)             | (1,015)         |
| - Distribution                                                                       | 841                | 1,012          | 1,625          | 2,440                    | 5,354             | 7,435           |
| - Learning                                                                           | (731)              | (713)          | (540)          | (2,191)                  | (2,295)           | (2,934)         |
| Total                                                                                | (2,159)            | (1,541)        | (1,239)        | (5,154)                  | (6,995)           | (7,037)         |
| Less :                                                                               |                    |                |                |                          |                   |                 |
| i) Interest Expense                                                                  | 4,162              | 4,066          | 3,662          | 11,867                   | 10,366            | 14,278          |
| ii) Other un-allocable expenditure net off un-allocable (income)                     | 7,740              | 795            | (368)          | 8,293                    | (3,976)           | (3,958)         |
| <b>Total Profit / (Loss) before Tax</b>                                              | <b>(14,061)</b>    | <b>(6,402)</b> | <b>(4,533)</b> | <b>(25,314)</b>          | <b>(13,385)</b>   | <b>(17,357)</b> |
| <b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>                    |                    |                |                |                          |                   |                 |
| - Hardware Products and Solutions                                                    | 98,684             | 94,735         | 94,579         | 98,684                   | 94,579            | 92,959          |
| - Services                                                                           | 22,559             | 23,682         | 24,903         | 22,559                   | 24,903            | 21,931          |
| - Distribution                                                                       | 2,518              | 4,764          | (1,377)        | 2,518                    | (1,377)           | 3,943           |
| - Learning                                                                           | 2,198              | 2,371          | 1,853          | 2,198                    | 1,853             | 1,635           |
| Unallocated                                                                          |                    |                |                |                          |                   |                 |
| - Liquid Assets                                                                      | 5,108              | 16,207         | 25,860         | 5,108                    | 25,860            | 26,967          |
| - Others unallocated                                                                 | 100,081            | 102,970        | 104,840        | 100,081                  | 104,840           | 103,575         |
| <b>Total Capital Employed</b>                                                        | <b>231,149</b>     | <b>244,729</b> | <b>250,658</b> | <b>231,149</b>           | <b>250,658</b>    | <b>251,010</b>  |

By order of the Board  
for HCL Infosystems Limited

Place : Noida

Date : May 25, 2016

For HCL Infosystems Limited

  
Sushil Kumar Jain  
Company Secretary

Premkumar Seshadri  
Executive Vice-Chairman & Managing Director

**HCL INFOSYSTEMS LTD.**

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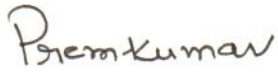
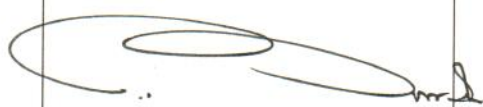
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.

Corporate Identity Number - L72200DL1986PLC023955

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**Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.****Form A (for audit report with unmodified opinion) for 9 months period ended 31<sup>st</sup> March, 2016****CONSOLIDATED**

|    |                                                                                                                           |                                                                                       |
|----|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. | Name of the Company                                                                                                       | HCL Infosystems Limited                                                               |
| 2. | Annual Financial Statements for the year ended                                                                            | 31 <sup>st</sup> March, 2016.                                                         |
| 3. | Type of audit observation                                                                                                 | Un modified                                                                           |
| 4. | Frequency of observation                                                                                                  | Not Applicable                                                                        |
| 5. | To be Signed By:                                                                                                          |                                                                                       |
|    | i. Premkumar Seshadri<br>03114983<br>Managing Director                                                                    |    |
|    | ii. Santhana Gopalan Murali<br>ADKPS8432K<br>Group CFO                                                                    |   |
|    | iii. Avijit Mukerji<br>Auditor Partner Price Waterhouse<br>Firm Registration No. 301112E<br>Partner Membership No. 056155 |   |
|    | iv. Kaushik Dutta<br>03328890<br>Audit Committee Chairman                                                                 |  |

**HCL**

# Price Waterhouse

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the Members of HCL Infosystems Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of HCL Infosystems Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity; (refer Note 1 to the attached Consolidated Financial Statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers

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internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the nine months period ended on that date.

#### Other Matter

8. We did not audit the financial statement of one subsidiary whose financial statements reflect total assets of Rs 0.01 crores and net assets of Rs (0.02) crores as at March 31, 2016, total revenue of Rs. Nil, net loss of Rs 0.01 crores and net cash flows amounting to Rs 0.01 crores for the nine months period ended on that date, as considered in the Consolidated Financial Statements. These financial statement have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
9. We did not audit the financial information of two subsidiaries and one jointly controlled entity whose financial information reflect total assets of Rs 1.28 crores and net assets of Rs 0.02 crores as at March 31, 2016, total revenue of Rs. 0.16 crores, net loss of Rs 0.07 crores and net cash flows amounting to Rs (0.04) crores for the nine months period ended on that date, as considered in the Consolidated Financial Statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.



### Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

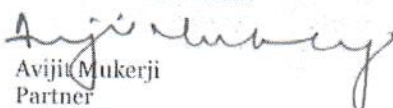
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and its jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company, report of the auditors of the subsidiary company and financial information of the subsidiary companies and a Jointly controlled entity furnished to us by the management.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and its jointly controlled entity incorporated in India including relevant records relating to the preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies and unaudited financial information of the subsidiary companies and a Jointly controlled entity incorporated in India furnished to us by the management, none of the directors of the Group companies and its jointly controlled entity incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and its jointly controlled entity incorporated in India – Refer Note 29 to the Consolidated Financial Statements.
  - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 8 to the Consolidated Financial Statements in respect of such items as it relates to the Group and its jointly controlled entity. The Group and its jointly controlled entity did not have any long-term derivative contracts as at March 31, 2016.



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India during the nine months period ended March 31, 2016.

Place: **NOIDA**  
Date: May 25, 2016

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

  
Avijit Mukerji  
Partner  
Membership Number: 056155

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of HCL Infosystems Limited on the consolidated financial statements for the nine months period ended March 31, 2016

Page 1 of 3

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of HCL Infosystems Limited (hereinafter referred to as "the Holding Company") as of and for the nine months period ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports of subsidiary company and representation received from the management for the joint controlled entity referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies and its jointly controlled entity, which are companies incorporated in India.



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of HCL Infosystems Limited on the consolidated financial statements for the nine months period ended March 31, 2016

Page 2 of 3

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective Board of Directors of the Holding company, its subsidiary companies and its jointly controlled entity, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.



**Annexure A to Independent Auditors' Report**

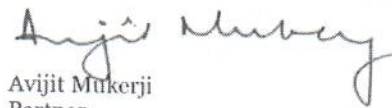
Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of HCL Infosystems Limited on the consolidated financial statements for the nine months period ended March 31, 2016

Page 3 of 3

**Other Matters**

9. Our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to an audited subsidiary company is based on the report of the other auditor and insofar as it relates to an unaudited jointly controlled entity incorporated in India is based on representation received from the management (also refer para 8 & 9 of the Independent Auditors' Report above). Our opinion is not modified in respect of this matter.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Avijit Mukerji  
Partner  
Membership Number: 056155

Place of the Signature: NOIDA  
Date: May 25, 2016