

HCL INFOSYSTEMS LIMITED
 Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
Unaudited Financial Results for the Quarter ended December 31, 2013

Part I - Statement of Standalone results for the quarter ended December 31, 2013

Rs Lakhs

Particulars	Standalone					
	Unaudited			Unaudited		Audited
	Three months ended			Six months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	30.06.2013
- Gross Sales / Income from Operations	143,811	159,647	247,220	303,458	482,799	869,014
- Less: Excise Duty	53	299	1,417	352	2,828	5,075
1a. Net Sales / Income from Operations	143,758	159,348	245,803	303,106	479,971	863,939
1b. Other Operating Income	6	9	727	15	1,084	1,335
2. Expenses						
a) Cost of materials consumed	8,475	14,785	37,572	23,260	59,235	120,005
b) Purchases of Stock-in-trade	130,920	140,386	186,324	271,306	366,562	600,234
c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(3,838)	(4,578)	(11,503)	(8,416)	(13,669)	10,176
d) Employee benefits expense	2,056	1,747	12,845	3,803	24,935	49,476
e) Exchange Differences Loss	725	1,370	651	2,095	1,943	4,436
f) Depreciation and amortisation expense	205	238	1,238	443	2,420	4,898
g) Other Expenses	4,166	4,497	22,168	8,663	41,451	85,822
Total Expenses	142,709	158,445	249,295	301,154	482,877	875,047
3. Profit / (Loss) from Operations before Other Income & finance costs (1-2)	1,055	912	(2,765)	1,967	(1,822)	(9,773)
4. Other Income	1,065	1,466	1,770	2,531	3,978	10,584
5. Profit / (Loss) from ordinary activities before finance costs (3+4)	2,120	2,378	(995)	4,498	2,156	811
6. Finance costs	1,757	1,651	3,289	3,408	6,146	13,498
7. Profit / (Loss) from ordinary activities before Tax (5-6)	363	727	(4,284)	1,090	(3,990)	(12,687)
8. Tax Expense / (Credit)	133	579	(1,417)	712	(1,377)	(4,554)
9. Net Profit / (Loss) from ordinary activities after Tax (7-8)	230	148	(2,867)	378	(2,613)	(8,133)
10. Extraordinary items (net of tax expense)	-	-	-	-	-	-
11. Net Profit / (Loss) for the period (9-10)	230	148	(2,867)	378	(2,613)	(8,133)
12. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,458	4,458	4,458	4,458	4,458	4,458
13. Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year						179,125
14. Earnings per Share (EPS) (not annualised) Rs./share						
a) EPS before extra ordinary items for the period						
- Basic	0.10	0.07	(1.29)	0.17	(1.17)	(3.65)
- Diluted	0.10	0.07	(1.29)	0.17	(1.17)	(3.65)
b) EPS after extra ordinary items for the period						
- Basic	0.10	0.07	(1.29)	0.17	(1.17)	(3.65)
- Diluted	0.10	0.07	(1.29)	0.17	(1.17)	(3.65)

Part II - Select information for the Quarter ended December 31, 2013

Particulars	Standalone					
	Unaudited			Unaudited		Audited
	Three months ended			Six months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	30.06.2013
A) Particulars of Share holding						
1. Public Shareholding						
- Number of Shares	93,844,683	93,844,683	109,726,271	93,844,683	109,726,271	98,501,455
- Percentage of Shareholding	42.11%	42.11%	49.23%	42.11%	49.23%	44.19%
2. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	900	Nil	Nil	900	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	Nil	Nil	0.00%	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	0.00%	Nil	Nil	0.00%	Nil	Nil
b) Non - encumbered						
- Number of shares	129,034,046	129,034,946	113,153,358	129,034,046	113,153,358	124,378,174
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	57.89%	57.89%	50.77%	57.89%	50.77%	55.81%

Particulars	Three months ended 31.12.2013
B) INVESTOR COMPLAINTS	
Pending at the beginning of the Quarter	Nil
Received during the Quarter	2
Disposed of during the Quarter	1
Remaining unresolved at the end of the Quarter	1

Segment-wise Information (Refer Note-3)

Rs Lakhs

Particulars	Standalone					
	Unaudited Three months ended			Unaudited Six months ended		Audited Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	30.06.2013
1. Segment Revenue						
-Hardware Products and Solutions (Gross)	19,256	27,475	98,799	46,731	161,274	300,148
Less: Excise Duty	53	299	1,417	352	2,828	5,075
- Hardware Products and Solutions (Net)	19,203	27,176	97,382	46,379	158,446	295,073
- Services	-	-	13,462	-	26,571	55,343
- Distribution	124,837	132,172	133,699	257,009	292,317	504,968
- Learning	-	-	1,359	-	2,931	9,083
Total	144,040	159,348	245,902	303,388	480,265	864,467
Less : Intersegment revenue	282	-	99	282	294	528
Net Sales / Income from Operations	143,758	159,348	245,803	303,106	479,971	863,939
2. Segment Results (Profit / (Loss) before Tax and Interest from each segment)						
- Hardware Products and Solutions	(1,649)	(407)	(2,649)	(2,056)	(3,423)	(13,338)
- Services	-	-	1,439	-	3,594	7,053
- Distribution	2,594	2,491	2,441	5,085	5,458	9,086
- Learning	-	-	(521)	-	(785)	(354)
Total	945	2,084	710	3,029	4,844	2,447
Less :						
i) Interest Expense	1,757	1,651	3,289	3,408	6,146	13,498
ii) Other un-allocable expenditure net off un-allocable (income)	(1,175)	(294)	1,705	(1,469)	2,688	1,636
Total Profit / (Loss) before Tax	363	727	(4,284)	1,090	(3,990)	(12,687)
3. Capital Employed (Segment Assets - Segment Liabilities)						
- Hardware Products and Solutions	(7,262)	(2,219)	116,062	(7,262)	116,062	99,930
- Services	-	-	18,407	-	18,407	20,526
- Distribution	5,577	(23)	12,573	5,577	12,573	(14,604)
- Learning	-	-	2,256	-	2,256	1,680
Unallocated						
- Liquid Assets	27,318	64,244	59,687	27,318	59,687	92,070
- Others unallocated	204,778	157,874	85,847	204,778	85,847	89,779
Total Capital Employed	230,411	219,876	294,832	230,411	294,832	289,381

Statement of Assets and Liabilities

Rs Lakhs

Particulars	As at	As at
	31.12.2013 (Unaudited)	30.06.2013 (Audited)
A EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	4,458	4,458
Reserves and surplus	166,348	179,125
Sub-Total - Shareholders' funds	170,806	183,583
Non Current Liabilities		
Long term Borrowings	30,746	50,565
Other Long term Liabilities	114	7,761
Long term Provisions	371	1,599
Sub-Total - Non Current Liabilities	31,231	59,925
Current Liabilities		
Short-term borrowings	12,933	45,033
Trade payables	78,212	203,884
Other current liabilities	22,316	47,898
Short-term provisions	232	2,098
Sub-Total - Current Liabilities	113,693	298,913
Total - EQUITY AND LIABILITIES	315,730	542,421
B ASSETS		
Non-current assets		
Fixed Assets	12,355	29,918
Non-current investments	104,895	14,039
Deferred tax assets (net)	748	6,827
Long-term loans and advances	8,702	7,577
Trade receivables	99	809
Other non-current assets	10	34,590
Sub-Total - Non Current assets	126,809	93,760
Current Assets		
Current investments	27,265	91,871
Inventories	34,444	50,429
Trade receivables	30,332	117,632
Cash and bank balances	10,230	22,525
Short-term loans and advances	22,171	26,721
Other current assets	64,479	139,483
Sub-Total - Current assets	188,921	448,661
Total - ASSETS	315,730	542,421

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 February 11, 2014. The results have been subjected to a limited review by the statutory auditors.
2. The Hon'ble High Court of Delhi has sanctioned the Composite Scheme of Arrangement (the "Scheme") under the provisions of section 391 to 394 of the Companies Act, 1956, vide its order dated September 18, 2013 received on October 30, 2013. The Scheme has become effective from November 1, 2013 on filing a certified copy of the High Court order with the office of the Registrar of the Companies, NCT of Delhi & Haryana and is applicable from January 1, 2013 (the "Appointed date"). According to the Scheme, the Hardware Solutions Business, Services Business and Learning Business (collectively the "Transferred Undertakings") of the Company stand transferred to HCL Infotech Limited (formerly known as HCL System Integration Limited), HCL Services Limited (formerly known as HCL Care Limited) and HCL Learning Limited (collectively the "Transferee Companies") respectively, the wholly owned subsidiaries. According to the Scheme, HCL Infocom Limited (HCL I), the wholly owned subsidiary of the Company, stands merged with the Company. The standalone financial results of the Company for the quarter ended September 30, 2013 and quarter/half year ended December 31, 2013 have been prepared after considering the accounting treatment specified under the Scheme.

In accordance with the Scheme, the Company continued to carry on the business and activities in relation to the Transferred Undertakings on account of and in trust for the respective Transferee Companies from January 1, 2013 (the "Appointed date") till November 1, 2013 (the "Effective date"). Subsequent to the effective date, the Company is in the process of entering into novation agreements with the relevant third parties, including customers and vendors, pertaining to the Transferee Companies. The results/ statement of assets and liabilities above, do not include results/ assets and liabilities pertaining to the transactions subsequent to the effective date executed by the Company on trust and benefit of HCL Infotech Limited pending entering into novation agreements with the respective parties.

The financial results of quarter/ half year ended December 31, 2012 and for year ended June 30, 2013 include the following revenue and profit/(loss) before tax of the Transferred Undertakings and therefore are not comparable with those of the quarter/half year ended December 31, 2013 and quarter ended September 30, 2013. Further, the statement of assets and liabilities as at December 31, 2013 do not include the assets and liabilities of the Transferred Undertakings and therefore are not comparable those as at June 30, 2013.

	Rs Lakhs		
	Three months ended 31.12.2012	Six months ended 31.12.2012	Year ended 30.06.2013
Services			
Revenue	13,462	26,570	55,343
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	1,439	3,595	7,053
Profit Before Tax*	410	1,704	2,577
Learning			
Revenue	1,359	2,931	9,083
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	(521)	(785)	(354)
Profit / (Loss) Before Tax*	(448)	(686)	(68)
Hardware Solution			
Revenue	68,185	102,702	187,101
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	(3,347)	(3,428)	(12,738)
Profit / (Loss) Before Tax*	(4,552)	(6,183)	(15,916)

* After Other Income & allocating Finance Cost and common Corporate Cost.

3. The standalone segment disclosures for the quarter/half year ended December 31, 2013 and September 30, 2013 have been prepared after considering the effect of the Scheme and do not include disclosures of transferred undertakings. Therefore these are not comparable with those of the year ended June 30, 2013 and quarter/half year ended December 31, 2012.
4. Pursuant to notification u/s 211(3C) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs on December 29, 2011, the Company has opted to accumulate the exchange difference arising on translation of foreign currency items having a term of 12 months or more and amortise such exchange difference over the period of the item. Accordingly, a loss of Rs 181.33 lakhs stands deferred as at December 31, 2013.
5. Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
6. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period's classification.

Place : Noida

Date : February 11, 2014

By order of the Board
for HCL Infosystems Limited

HARSH CHITALE
CEO & Managing Director