

HCL INFOSYSTEMS LIMITED
Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
Unaudited Financial Results for the Quarter ended March 31, 2014

Part I - Statement of Standalone results for the quarter ended March 31, 2014

Rs Lakhs

Particulars	Standalone					
	Unaudited			Unaudited		Audited
	Three months ended			Nine months ended		Year ended
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	30.06.2013
- Gross Sales / Income from Operations	131,695	143,811	188,405	435,153	671,204	869,014
- Less: Excise Duty	46	53	1,421	398	4,249	5,075
1a. Net Sales / Income from Operations	131,649	143,758	186,984	434,755	666,955	863,939
1b. Other Operating Income	426	6	89	441	1,173	1,335
2. Expenses						
a) Cost of materials consumed	13,167	9,362	33,809	37,314	93,044	120,005
b) Purchases of Stock-in-trade	109,314	130,033	119,752	379,733	486,314	600,234
c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	768	(3,838)	(1,438)	(7,648)	(15,107)	10,176
d) Employee benefits expense	2,267	2,056	12,458	6,070	37,393	49,476
e) Exchange Differences Loss	1,029	725	637	3,124	2,580	4,436
f) Depreciation and amortisation expense	211	205	1,188	654	3,608	4,898
g) Other Expenses	5,622	4,166	22,614	14,285	64,065	85,822
Total Expenses	132,378	142,709	189,020	433,532	671,897	875,047
3. Profit / (Loss) from Operations before Other Income & finance costs and exceptional items (1-2)	(303)	1,055	(1,947)	1,664	(3,769)	(9,773)
4. Other Income	640	1,065	3,227	3,171	7,205	10,584
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	337	2,120	1,280	4,835	3,436	811
6. Finance costs	1,910	1,757	3,577	5,318	9,723	13,498
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,573)	363	(2,297)	(483)	(6,287)	(12,687)
8. Exceptional Items	2,157	-	-	2,157	-	-
9. Profit / (Loss) from ordinary activities before Tax (7+8)	584	363	(2,297)	1,674	(6,287)	(12,687)
10. Tax Expense / (Credit)	328	133	(801)	1,040	(2,178)	(4,554)
11. Net Profit / (Loss) from ordinary activities after Tax (9-10)	256	230	(1,496)	634	(4,109)	(8,133)
12. Extraordinary items (net of tax expense)	-	-	-	-	-	-
13. Net Profit / (Loss) for the period (11-12)	256	230	(1,496)	634	(4,109)	(8,133)
14. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,458	4,458	4,458	4,458	4,458	4,458
15. Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year						179,125
16. Earnings per Share (EPS) (not annualised) Rs./share						
a) EPS before extra ordinary items for the period						
- Basic	0.12	0.10	(0.67)	0.28	(1.84)	(3.65)
- Diluted	0.12	0.10	(0.67)	0.28	(1.84)	(3.65)
b) EPS after extra ordinary items for the period						
- Basic	0.12	0.10	(0.67)	0.28	(1.84)	(3.65)
- Diluted	0.12	0.10	(0.67)	0.28	(1.84)	(3.65)

Part II - Select information for the Quarter ended March 31, 2014

Particulars	Standalone					
	Unaudited			Unaudited		Audited
	Three months ended			Nine months ended		Year ended
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	30.06.2013
A) Particulars of Share holding						
1. Public Shareholding						
- Number of Shares	92,988,455	93,844,683	104,336,027	92,988,455	104,336,027	98,501,455
- Percentage of Shareholding	41.72%	42.11%	46.81%	41.72%	46.81%	44.19%
2. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	NIL	900	NIL	NIL	NIL	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	0.00%	NIL	NIL	NIL	Nil
- Percentage of shares (as a % of the total share capital of the company)	NIL	0.00%	NIL	NIL	NIL	Nil
b) Non - encumbered						
- Number of shares	129,891,174	129,034,046	118,543,602	129,891,174	118,543,602	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)	58.28%	57.89%	53.19%	58.28%	53.19%	55.81%

Particulars	Three months ended 31.03.2014
B) INVESTOR COMPLAINTS	
Pending at the beginning of the Quarter	1
Received during the Quarter	NIL
Disposed of during the Quarter	1
Remaining unresolved at the end of the Quarter	NIL

Segment-wise Information (Refer Note-3)

Rs Lakhs

Particulars	Standalone					
	Unaudited			Unaudited		Audited
	Three months ended			Nine months ended		Year ended
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	30.06.2013
1. Segment Revenue						
-Hardware Products and Solutions (Gross)	28,132	19,256	72,424	74,863	233,699	300,148
Less: Excise Duty	46	53	1,421	398	4,249	5,075
- Hardware Products and Solutions (Net)	28,086	19,203	71,003	74,465	229,450	295,073
- Services	-	-	14,473	-	41,043	55,343
- Distribution	103,704	124,837	99,820	360,713	392,137	504,968
- Learning	-	-	1,823	-	4,754	9,083
Total	131,790	144,040	187,119	435,178	667,384	864,467
Less : Intersegment revenue	141	282	135	423	429	528
Net Sales / Income from Operations	131,649	143,758	186,984	434,755	666,955	863,939
2. Segment Results (Profit / (Loss) before Tax and Interest from each segment)						
- Hardware Products and Solutions	(2,348)	(1,649)	(2,183)	(4,403)	(5,606)	(13,338)
- Services	-	-	1,492	-	5,087	7,053
- Distribution	1,990	2,594	1,965	7,075	7,423	9,086
- Learning	-	-	(250)	-	(1,035)	(354)
Total	(358)	945	1,024	2,672	5,869	2,447
Less :						
i) Interest Expense	1,910	1,757	3,577	5,318	9,723	13,498
ii) Other un-allocable expenditure net off un-allocable (income)	(2,852)	(1,175)	(256)	(4,320)	2,433	1,636
Total Profit / (Loss) before Tax	584	363	(2,297)	1,674	(6,287)	(12,687)
3. Capital Employed (Segment Assets - Segment Liabilities)						
- Hardware Products and Solutions	1,701	(7,262)	118,760	1,701	118,760	99,930
- Services	-	-	18,573	-	18,573	20,526
- Distribution	4,992	5,577	12,236	4,992	12,236	(14,604)
- Learning	-	-	2,074	-	2,074	1,680
Unallocated						
- Liquid Assets	17,533	27,318	76,862	17,533	76,862	92,070
- Others unallocated	219,503	204,778	86,004	219,503	86,004	89,779
Total Capital Employed	243,729	230,411	314,509	243,729	314,509	289,381

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 April 28, 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 March 31, 2014 and quarter/nine months ended March 31, 2014 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 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/ nine months ended March 31, 2013 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/nine months ended March 31, 2014 and quarter ended December 31, 2013.

	Rs Lakhs		
	Three months ended 31.03.2013	Nine months ended 31.03.2013	Year ended 30.06.2013
Services			
Revenue	14,473	41,043	55,343
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	1,492	5,087	7,053
Profit Before Tax*	403	2,108	2,577
Learning			
Revenue	1,823	4,754	9,083
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	(250)	(1,035)	(354)
Profit / (Loss) Before Tax*	(149)	(835)	(68)
Hardware Solution			
Revenue	41,167	143,868	187,101
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	(2,321)	(5,749)	(12,738)
Profit / (Loss) Before Tax*	(2,709)	(8,892)	(15,916)

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

3. The standalone segment disclosures for the quarter/nine months ended March 31, 2014 and quarter ended December 31, 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/nine months ended March 31, 2013.
4. Pursuant to notification u/s 211(3C) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs on December 29, 2011 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, 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 gain of Rs 24.83 lakhs stands deferred as at March 31, 2014
5. Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
6. Exceptional items include :
 - a. Profit on sale of properties:Rs 2619 lakhs
 - b. Inventory write off of Rs (462) lakhs due to phasing out of a product line.
7. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period's classification.

Place : Noida

Date : April 28, 2014

By order of the Board
for HCL Infosystems Limited

HARSH CHITALE
Managing Director & CEO