

Part 1

Statement of financial results

Rs Lakhs

Particulars	Consolidated		Standalone				
	Audited		Unaudited			Audited	
	Year ended		Three months ended			Year ended	
	30.06.2014	30.06.2013	30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013
- Gross Sales / Income from Operations	785,244	929,731	137,780	131,701	197,948	572,954	869,226
- Less: Excise Duty	413	5,075	15	46	826	413	5,075
1a. Net Sales / Income from Operations	784,831	924,656	137,765	131,655	197,122	572,541	864,151
1b. Other Operating Income	1,057	1,131	113	420	24	533	1,122
2. Expenses							
a) Cost of materials consumed	40,146	78,217	2,832	13,167	26,961	40,146	120,005
b) Purchases of Stock-in-trade	603,103	695,609	119,770	109,314	113,920	499,503	600,234
c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	5,332	6,530	8,380	768	25,283	732	10,176
d) Employee benefits expense	57,190	54,818	2,142	2,267	12,083	8,212	49,476
e) Exchange Differences Loss/ (Gain)	7,061	4,550	423	1,029	1,856	3,547	4,436
f) Depreciation and amortisation expense	5,250	5,189	190	211	1,290	844	4,898
g) Other Expenses	81,865	90,404	4,770	5,622	21,757	19,055	85,697
Total Expenses	799,947	935,317	138,507	132,378	203,150	572,039	874,922
Profit / (Loss) from Operations before Other Income & finance costs and exceptional items (1-2)	(14,059)	(9,530)	(629)	(303)	(6,004)	1,035	(9,649)
4. Other Income	9,644	10,243	3,456	640	3,379	6,627	10,022
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(4,415)	713	2,827	337	(2,625)	7,662	373
6. Finance costs	15,604	13,708	2,177	1,910	3,775	7,495	13,498
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(20,019)	(12,995)	650	(1,573)	(6,400)	167	(13,125)
8. Exceptional Items loss/ (Gain)	(1,437)	(438)	20,032	(2,157)	-	17,875	(438)
9. Profit / (Loss) from ordinary activities before Tax (7+8)	(18,582)	(12,557)	(19,382)	584	(6,400)	(17,708)	(12,687)
10. Tax Expense	2,870	(4,559)	421	328	(2,375)	1,461	(4,554)
11. Net Profit / (Loss) from ordinary activities after Tax (9-10)	(21,452)	(7,998)	(19,803)	256	(4,025)	(19,169)	(8,133)
12. Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
13. Net Profit / (Loss) for the period (9-10)	(21,452)	(7,998)	(19,803)	256	(4,025)	(19,169)	(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	4,458
15. Reserves excluding Revaluation Reserves as per Balance Sheet	139,847	179,004	-	-	-	146,345	179,125
16. Earnings per Share (EPS) (not annualised) Rs./share							
a) EPS before extra ordinary items for the period							
- Basic	(9.62)	(3.59)	(8.88)	0.12	(1.81)	(8.60)	(3.65)
- Diluted	(9.62)	(3.59)	(8.88)	0.12	(1.81)	(8.60)	(3.65)
b) EPS after extra ordinary items for the period							
- Basic	(9.62)	(3.59)	(8.88)	0.12	(1.81)	(8.60)	(3.65)
- Diluted	(9.62)	(3.59)	(8.88)	0.12	(1.81)	(8.60)	(3.65)

Part 2

Select information for the Quarter and year ended June 30, 2014

Rs. Lakhs

Particulars	Consolidated		Standalone				
	Audited		Unaudited			Audited	
	Year ended		Three months ended			Year ended	
	30.06.2014	30.06.2013	30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013
A) Particulars of Share holding							
1. Public Shareholding							
- Number of Shares	93,501,785	98,501,455	93,501,785	92,988,455	98,501,455	93,501,785	98,501,455
- Percentage of Shareholding	41.95%	44.19%	41.95%	41.72%	44.19%	41.95%	44.19%
2. Promoters and Promoter Group Shareholding							
a) Pledged / Encumbered							
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Non - encumbered							
- Number of shares	129,377,844	124,378,174	129,377,844	129,891,174	124,378,174	129,377,844	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%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	58.05%	55.81%	58.05%	58.28%	55.81%	58.05%	55.81%

Statement of Assets and Liabilities

Rs. Lakhs

Particulars	Consolidated		Standalone	
	Audited as at		Audited as at	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
A EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	4,458	4,458	4,458	4,458
Reserves and surplus	139,848	179,003	146,345	179,125
Sub-Total - Shareholders' funds	144,306	183,461	150,803	183,583
Non Current Liabilities				
Long term Borrowings	38,814	50,690	26,805	50,565
Other Long term Liabilities	3,231	7,761	77	7,761
Long term Provisions	1,326	1,863	243	1,599
Sub-Total - Non Current Liabilities	43,371	60,314	27,125	59,925
Current Liabilities				
Short-term borrowings	29,386	48,283	19,643	45,033
Trade payables	143,579	222,108	76,914	203,884
Other current liabilities	87,412	51,443	36,533	47,898
Short-term provisions	3,049	2,221	1,196	2,098
Sub-Total - Current Liabilities	263,426	324,055	134,286	298,913
Total - EQUITY AND LIABILITIES	451,103	567,830	312,214	542,421
B ASSETS				
Non-current assets				
Fixed Assets	34,364	37,612	8,929	29,918
Goodwill on consolidation	57,665	3,475	-	-
Non-current investments	-	-	83,895	14,039
Deferred tax assets (net)	512	7,302	-	6,827
Long-term loans and advances	5,432	6,976	3,103	7,577
Trade receivables	-	809	-	809
Other non-current assets	24,240	34,590	-	34,590
Sub-Total - Non Current assets	122,213	90,764	95,927	93,760
Current Assets				
Current investments	17,478	91,871	17,478	91,871
Inventories	43,565	56,841	20,128	50,429
Trade receivables	86,468	129,754	42,913	117,632
Cash and bank balances	34,725	31,322	20,714	22,525
Short-term loans and advances	28,443	27,697	114,794	26,721
Other current assets	118,211	139,581	260	139,483
Sub-Total - Current assets	328,890	477,066	216,287	448,661
Total Assets	451,103	567,830	312,214	542,421

Particulars	Three months ended 30.06.2014
B) INVESTOR COMPLAINTS	
Pending at the beginning of the Quarter	NIL
Received during the Quarter	2
Diposed of during the Quarter	2
Remaining unresolved at the end of the Quarter	NIL

Segment-wise information (Refer Note-3)

Rs Lakhs

Particulars	Consolidated		Standalone				
	Audited		Unaudited			Audited	
	Year ended		Three months ended			Year ended	
	30.06.2014	30.06.2013	30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013
Segment Revenue							
- Hardware Products and Solutions (Gross)	200,414	335,702	26,157	28,138	66,587	101,040	300,359
Less: Excise Duty	413	5,075	15	46	826	413	5,075
- Hardware Products and Solutions (Net)	200,002	330,627	26,142	28,092	65,761	100,627	295,284
- Services	74,573	57,678	-	-	14,300	-	55,343
- Distribution	533,325	570,224	111,623	103,704	112,831	472,337	504,969
- Learning	6,658	9,083	-	-	4,329	-	9,083
Total	814,558	967,612	137,765	131,796	197,221	572,964	864,679
Less : Intersegment revenue	29,727	42,956	-	141	99	423	528
Net Sales / Income from Operations	784,831	924,656	137,765	131,655	197,122	572,541	864,151
Segment Results (Profit / (Loss) before Tax and Interest from each segment)							
- Hardware Products and Solutions	(21,057)	(13,296)	(1,937)	(2,348)	(7,732)	(6,340)	(13,338)
- Services	5,573	6,901	-	-	1,966	-	7,053
- Distribution	8,628	9,580	2,932	1,990	1,663	10,006	9,086
- Learning	(1,485)	(354)	-	-	681	-	(354)
Total	(8,341)	2,830	995	(358)	(3,422)	3,666	2,447
Less :							
i) Interest Expense	15,604	13,709	2,177	1,910	3,775	7,496	13,498
ii) Other un-allocable expenditure net off un-allocable (income)	(5,362)	1,678	18,200	(2,852)	(797)	13,878	1,636
Total Profit / (Loss) before Tax	(18,583)	(12,556)	(19,382)	584	(6,400)	(17,708)	(12,687)
Capital Employed (Segment Assets - Segment Liabilities)							
- Hardware Products and Solutions	83,091	102,931	9,313	1,701	99,930	9,313	99,929
- Services	24,837	21,829	-	-	20,526	-	20,526
- Distribution	(7,927)	(5,394)	(15,720)	4,992	(14,604)	(15,720)	(14,604)
- Learning	2,468	1,680	-	-	1,680	-	1,680
Unallocated							
- Liquid Assets	30,951	92,070	30,448	17,533	92,070	30,448	92,070
- Others unallocated	122,071	79,771	201,366	219,503	89,779	201,366	89,779
Total Capital Employed	255,491	292,887	225,407	243,729	289,380	225,407	289,380

6. 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 gain of Rs.30.93 Lakhs stands deferred as at June 30, 2014.
7. Consolidated Results include financial results of HCL Infosystems Limited (the parent company), its seven subsidiaries and their seven step down subsidiaries and one joint venture company.
8. The amounts for the quarter ended June 30, 2014 represent difference between the amounts as per the annual audited accounts and the year to date results up to March 31, 2014 which have been subjected to limited review.
9. 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

HARSH CHITALE
Managing Director & CEO

Place : Noida
Date : August 28, 2014

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 August 28, 2014. The results for the year ended June 30, 2014 have been audited 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 and consolidated financial results of the Company for the quarter ended June 30, 2014, quarter ended March 31, 2014 and year ended June 30, 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 standalone 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.
3. As per the Scheme of arrangement referred to above, investment in HCL Infotech Ltd was recorded at their fair value as determined by an independent valuer as on December 31, 2012. A provision of Rs 21,000 lakhs has been made in standalone financial results for diminution in the value of such investment as on 30th June, 2014, which has been shown as an exceptional item in the standalone results. This provision has resulted into impairment of goodwill amounting to Rs.800 lakhs in consolidated results which has been shown as an exceptional item in the consolidated results. However, provision for diminution in the value of investment in HCL Infotech Limited amounting to Rs.20,200 Lakhs does not have any impact on the consolidated financial statements as the above mentioned diminution is due to net loss incurred by HCL Infotech Limited which is already included in the consolidated results. This provision for diminution/impairment of Goodwill is a non cash charge and therefore does not have any impact on cash flow of the Company.

4. Exceptional items include :

Particulars	Consolidated		Standalone				
	Year ended		Three month ended		Year ended		
	30.06.2014	30.06.2013	30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013
a. Impairment of Goodwill / Provision for Diminution in Investment	800	-	21,000	-	-	21,000	-
b. Inventory write off due to phasing out of a product line	1,350	-	-	462	-	462	-
c. Profit on sale of properties	3,587	438	968	2,619	-	3,587	438
Total (a+b-c) - (Gain) / Loss	(1,437)	(438)	20,032	(2,157)	-	17,875	(438)

5. The standalone financial results of quarter/ 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/ year ended June 30, 2014.

	Rs. Lakhs	
	Three months	Year ended
	30.06.2013	30.06.2013
Services		
Revenue	14,300	55,343
Profit / (Loss) before Finance cost, Other Income and common Corporate Cost	1,966	7,053
Profit Before Tax*	470	2,577
Learning	-	-
Revenue	4,329	9,083
Profit/(Loss) before Finance cost, Other Income and common Corporate Cost	681	(354)
Profit / (Loss) Before Tax*	767	(68)
Hardware Solution	-	-
Revenue	43,232	187,101
Profit/(Loss) before Finance cost, Other Income and common Corporate Cost	(6,989)	(12,738)
Profit / (Loss) Before Tax*	(7,024)	(15,916)

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