

HCL INFOSYSTEMS LIMITED
Unaudited Financial Results for the Quarter ended September 30, 2014
 Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
 CIN - L72200DL1986PLC023955
 Phone number +91 120 2520977, 2526518-19 Fax +91 120 2523791
 Website www.hclinfosystems.com
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Part I- Statement of Standalone results for the quarter ended September 30, 2014

Rs Lakhs

Particulars	Standalone			
	Unaudited			Audited
	Three months ended			Year ended
	30.09.2014	30.06.2014	30.09.2013	30.06.2014
- Gross Sales / Income from Operations	119,278	137,780	159,647	572,954
- Less: Excise Duty	-	15	299	413
1a. Net Sales / Income from Operations	119,278	137,765	159,348	572,541
1b. Other Operating Income	-	113	9	533
2. Expenses				
a) Cost of materials consumed	770	2,832	14,785	40,146
b) Purchases of Stock-in-trade	109,341	119,770	140,386	499,503
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	2,797	8,380	(4,578)	732
d) Employee benefits expense	2,123	2,142	1,747	8,212
e) Exchange Differences Loss/ (Gain)	83	423	1,370	3,547
f) Depreciation and amortisation expense	181	190	238	844
g) Other Expenses	2,940	4,770	4,497	19,055
Total Expenses	118,235	138,507	158,445	572,039
Profit / (Loss) from Operations before Other Income, finance costs and exceptional items(1-2)	1,043	(629)	912	1,035
4. Other Income	3,162	3,456	1,466	6,627
Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	4,205	2,827	2,378	7,662
6. Finance costs	2,164	2,177	1,651	7,495
Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	2,041	650	727	167
8. Exceptional Items loss/ (Gain)	(620)	20,032	-	17,875
9. Profit / (Loss) from ordinary activities before Tax (7-8)	2,661	(19,382)	727	(17,708)
10. Tax Expense/ (Credit)	108	421	579	1,461
11. Net Profit / (Loss) from ordinary activities after Tax (9-10)	2,553	(19,803)	148	(19,169)
12. Extraordinary items (net of tax expense)	-	-	-	-
13. Net Profit / (Loss) for the period (11+12)	2,553	(19,803)	148	(19,169)
14. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,458	4,458	4,458	4,458
15. Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year				146,345
16. Earnings per Share (EPS) (not annualised) Rs./share				
a) EPS before extra ordinary items for the period				
- Basic	1.1	(8.9)	0.1	(8.6)
- Diluted	1.1	(8.9)	0.1	(8.6)
b) EPS after extra ordinary items for the period				
- Basic	1.1	(8.9)	0.1	(8.6)
- Diluted	1.1	(8.9)	0.1	(8.6)

Part II - Select information for the Quarter ended September 30, 2014

	Particulars	Standalone			
		Unaudited Three months ended			Audited Year ended
		30.09.2014	30.06.2014	30.09.2013	30.06.2014
A)	Particulars of Share holding				
1.	Public Shareholding				
	- Number of Shares	93,501,785	93,501,785	93,844,683	93,501,785
	- Percentage of Shareholding	41.95%	41.95%	42.11%	41.95%
2.	Promoters and Promoter Group Shareholding				
a)	Pledged / Encumbered				
	- Number of shares	NIL	NIL	Nil	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	Nil	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	Nil	NIL
b)	Non - encumbered				
	- Number of shares	129,377,844	129,377,844	129,034,946	129,377,844
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	58.05%	58.05%	57.89%	58.05%

Particulars	Three months ended 30.09.2014
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



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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 October 20, 2014. The results for the year ended June 30, 2014 have been audited by the statutory auditors.
2. As per the Composite scheme of arrangement approved by Hon'ble High Court of Delhi vide its order dated September 18, 2013, the Hardware Solution Business was transferred to HCL Infotech Limited. The Company is still in the process of entering into novation agreements with the relevant third parties, including customers and vendors, pertaining to the HCL Infotech Limited. The standalone results above, do not include results pertaining to the transactions executed by the Company on trust and benefit of HCL Infotech Limited pending entering into novation agreements with the respective parties.

3. Exceptional items include :

Particulars	Unaudited			Audited
	Three months ended			Year ended
	30.09.2014	30.06.2014	30.09.2013	30.06.2014
a. Inventory write off due to phasing out of a product line	460	-	-	462
b. Provision for diminution in the value of investment in HCL Infotech Limited	-	21,000	-	21,000
c. Profit on sale of investment in subsidiary (Refer note 4)	660	-	-	-
d. Profit on sale of properties	420	968	-	3,587
Total (a+b-c-d) - (Gain) / Loss	(620)	20,032	-	17,875

4. During the quarter, the Company completed the sale of its subsidiary RMA Software Park Pvt Ltd (RMA) to Vama Sundari Investments (Pondicherry) Pvt Ltd, a related party under AS-18. RMA holds a tract of land measuring 25 acres in Delhi/ NCR region. The Board's approval for the sale was based on a competitive bidding process which was managed by an international consulting firm appointed by the Board for this purpose. The company was also advised by a national law firm that this transaction doesn't require the approval of the shareholders.

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

Place : Noida
Date : October 20, 2014

By order of the Board
for HCL Infosystems Limited

HARSH CHITALE
Managing Director & CEO



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Unaudited Financial Results for the Quarter ended September 30, 2014
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Part I - Statement of Consolidated results for the quarter ended September 30, 2014

Rs Lakhs

		Consolidated			
Particulars		Unaudited			Audited
		Three months ended			Year ended
		30.09.2014	30.06.2014	30.09.2013	30.06.2014
-	Gross Sales / Income from Operations	168,268	176,026	218,397	785,244
-	Less: Excise Duty	-	15	299	413
1a.	Net Sales / Income from Operations	168,268	176,011	218,098	784,831
1b.	Other Operating Income	-	461	111	1,057
2.	Expenses				
a)	Cost of materials consumed	770	2,832	14,785	40,146
b)	Purchases of Stock-in-trade	127,151	127,682	182,859	603,103
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	6,709	11,074	(10,209)	5,332
d)	Employee benefits expense	13,667	14,557	13,856	57,190
e)	Exchange Differences Loss/ (Gain)	284	631	2,935	7,061
f)	Depreciation and amortisation expense	1,335	1,275	1,371	5,250
g)	Other Expenses	22,400	22,500	18,090	81,865
	Total Expenses	172,316	180,551	223,687	799,947
	Profit / (Loss) from Operations before Other Income, finance costs and exceptional items(1-2)	(4,048)	(4,079)	(5,478)	(14,059)
4.	Other Income	1,460	2,837	2,772	9,644
	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(2,588)	(1,242)	(2,706)	(4,415)
5.	Finance costs	3,232	3,404	4,143	15,604
	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(5,820)	(4,646)	(6,849)	(20,019)
8.	Exceptional Items loss/ (Gain)	(1,923)	720	-	(1,437)
9.	Profit / (Loss) from ordinary activities before Tax (7-8)	(3,897)	(5,366)	(6,849)	(18,582)
10.	Tax Expense/ (Credit)	629	1,871	391	2,870
11.	Net Profit / (Loss) from ordinary activities after Tax (9-10)	(4,526)	(7,237)	(7,240)	(21,452)
12.	Extraordinary items (net of tax expense)	-	-	-	-
13.	Net Profit / (Loss) for the period (11-12)	(4,526)	(7,237)	(7,240)	(21,452)
14.	Share of Profit / (Loss) of associates	-	-	-	-
15.	Minority Interest	-	-	-	-
16.	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)	(4,526)	(7,237)	(7,240)	(21,452)
17.	Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,458	4,458	4,458	4,458
18.	Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year				139,847
19.	Earnings per Share (EPS) (not annualised) Rs./share				
a)	EPS before extra ordinary items for the period				
-	Basic	(2.0)	(3.2)	(3.2)	(9.6)
-	Diluted	(2.0)	(3.2)	(3.2)	(9.6)
b)	EPS after extra ordinary items for the period				
-	Basic	(2.0)	(3.2)	(3.2)	(9.6)
-	Diluted	(2.0)	(3.2)	(3.2)	(9.6)

Part II - Select information for the Quarter ended September 30, 2014

Particulars					
Particulars		Consolidated			Audited Year ended 30.06.2014
		Unaudited Three months ended			
		30.09.2014	30.06.2014	30.09.2013	
A)	Particulars of Share holding				
1.	Public Shareholding				
	- Number of Shares	93,501,785	93,501,785	93,844,683	93,501,785
	- Percentage of Shareholding	41.95%	41.95%	42.11%	41.95%
2.	Promoters and Promoter Group Shareholding				
a)	Pledged / Encumbered				
	- Number of shares	NIL	NIL	Nil	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	Nil	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	Nil	NIL
b)	Non - encumbered				
	- Number of shares	129,377,844	129,377,844	129,034,946	129,377,844
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	58.05%	58.05%	57.89%	58.05%

Particulars	Three months ended 30.09.2014
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



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Segment-wise Information

Rs Lakhs

Segment-wise information		Rs Lakhs			
Particulars	Consolidated				
	Unaudited Three months ended			Audited Year ended	
	30.09.2014	30.06.2014	30.09.2013	30.06.2014	
1. Segment Revenue					
-Hardware Products and Solutions (Gross)	29,333	37,407	59,456	200,415	
Less: Excise Duty	-	15	299	413	
- Hardware Products and Solutions (Net)	29,333	37,392	59,157	200,002	
- Services	21,125	19,220	15,712	74,573	
- Distribution	122,485	122,447	147,987	533,325	
- Learning	1,259	2,800	1,250	6,658	
Total	174,202	181,859	224,106	814,558	
Less : Intersegment revenue	5,934	5,848	6,008	29,727	
Net Sales / Income from Operations	168,268	176,011	218,098	784,831	
2 Segment Results (Profit / (Loss) before Tax and Interest from each segment)					
- Hardware Products and Solutions	(4,788)	(6,002)	(6,252)	(22,407)	
- Services	(122)	1,302	577	5,573	
- Distribution	2,047	1,750	2,446	8,628	
- Learning	(917)	(12)	(603)	(1,485)	
Total	(3,780)	(2,962)	(3,832)	(9,691)	
Less :					
i) Interest Expense	3,232	3,404	4,143	15,604	
ii) Other un-allocable expenditure net off un-allocable (income)	(3,115)	(1,000)	(1,126)	(6,712)	
3. Total Profit / (Loss) before Tax	(3,897)	(5,366)	(6,849)	(18,582)	
Capital Employed (Segment Assets - Segment Liabilities)					
- Hardware Products and Solutions	84,179	83,091	36,677	83,091	
- Services	22,583	24,837	22,200	24,837	
- Distribution	(430)	(7,927)	2,951	(7,927)	
- Learning	1,273	2,468	1,400	2,468	
Unallocated					
- Liquid Assets	27,682	30,951	68,058	30,951	
- Others unallocated	114,217	122,071	130,160	122,071	
Total Capital Employed	249,504	255,491	261,446	255,491	

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 October 20, 2014. The results for the Quarter ended September 30, 2014 have been subjected to a limited review by the statutory auditors. The consolidated results for the quarter ended September 30, 2013 and June 30, 2014 were not subjected to review by the statutory auditors, who reviewed the standalone results for this period.

2. Exceptional items include :

Particulars	Unaudited			Audited
	Three months ended			Year ended
	30.09.2014	30.06.2014	30.09.2013	30.06.2014
a. Inventory write off due to phasing out of a product line	460	888	-	1,350
b. Impairment of Goodwill	-	800	-	800
c. Profit on sale of Subsidiary (Refer note 5)	1,963	-	-	-
d. Profit on sale of properties	420	968	-	3,587
Total (a+b-c-d) - (Gain) / Loss	(1,923)	720	-	(1,437)

3. The standalone financial results for the quarter ended September 30, 2014, June 30, 2014, September 30, 2013 and year ended June 30, 2014 are

Particulars	Unaudited			Audited
	Three months ended			Year ended
	30.09.2014	30.06.2014	30.09.2013	30.06.2014
Revenue	119,278	137,780	159,647	572,954
Profit/(Loss) before Finance cost and exceptional items	4,205	2,827	2,378	7,662
Profit /(Loss) Before Tax	2,661	(19,382)	727	(17,708)

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

5. During the quarter, the Company completed the sale of its subsidiary RMA Software Park Pvt Ltd (RMA) to Vama Sundari Investments (Pond) Pvt Ltd, a related party under AS- 18. RMA holds a tract of land measuring 25 acres in Delhi/ NCR region. The Board's approval for the sale was based on a competitive bidding process which was managed by an international consulting firm appointed by the Board for this purpose. The company was also advised by a national law firm that this transaction doesn't require the approval of the shareholders.

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

Place : Noida
Date : October 20, 2014



By order of the Board
for HCL Infosystems Limited

Harsh Chitale
HARSH CHITALE
Managing Director & CEO

The Board of Directors
HCL Infosystems Limited
E- 4, 5, 6, Sector XI,
Noida - 201301 (Uttar Pradesh)

1. We have reviewed the results of HCL Infosystems Limited (the "Company") for the quarter ended September 30, 2014 which are included in the accompanying 'Unaudited Financial Results for the quarter ended September 30, 2014' (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion
4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 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 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants




Avijit Mukerji
Partner
Membership Number: 056155

Place: Gurgaon
Date: October 20, 2014

The Board of Directors
HCL Infosystems Limited
E- 4, 5, 6, Sector XI,
Noida - 201301 (Uttar Pradesh)

1. We have reviewed the consolidated results of HCL Infosystems Limited, its subsidiaries and jointly controlled entity hereinafter referred to as the "Group" (refer Note 4 on the Statement) for the quarter ended September 30, 2014 which are included in the accompanying Unaudited Financial Results for the quarter ended September 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in HCL Infosystems Limited which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Group's Management pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Group's Management and has been approved by the Board of Directors/Committee of Board of Directors of HCL Infosystems Limited. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of group's personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in HCL Infosystems Limited in the Statement from the disclosures made by the Group's Management and are, therefore, not expressing a review opinion thereon.
5. We did not review the financial results of two subsidiaries, six step down subsidiaries and one jointly controlled entity considered in the preparation of the Statement and which constitute total assets of Rs 97.70 crores and net assets of Rs (47.11) crores as at September 30, 2014, total revenue of Rs 46.80 crores and net loss of Rs 4.56 crores for the quarter then ended. The financial results/ statements and other financial information have been reviewed by other auditors for four step down subsidiaries whose reports have been furnished to us, and two subsidiaries, two step-down subsidiaries and one jointly controlled entity of a subsidiary have been certified by the respective directors of these entities, and our opinion on the Statement to the extent they have been derived from such financial statements is based solely on the report of such other auditors and those management certified financial results.
6. We were neither engaged to review, nor have we reviewed the information relating to the results and disclosures in the Statement for three months ended September 30, 2013 and three months ended June 30, 2014 and, accordingly, we do not express any review opinion thereon.
7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 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 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Avijit Mukerji
Partner
Membership Number: 056155

Place: Gurgaon
Date: October 20, 2014