HCL INFOSYSTEMS LIMITED

Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.

Unaudited Financial Results for the Quarter ended December 31, 2012

Part 1

Statement of Standalone results for the quarter ended December 31, 2012

Rs Lakhs

	Particulars	Unaudited Three months ended 31.12.2012	30.09.2012	31.12.2011	Unaudited Six months ended 31.12.2012	31.12.2011	Audited Year ended 30.06.2012
-	**Gross Sales / Income from Operations**	247,220	235,579	258,341	482,799	528,634	1,037,548
-	Less: Excise Duty	1,417	1,411	1,890	2,828	4,172	8,620
1a.	Net Sales / Income from Operations	245,803	234,168	256,451	479,971	524,462	1,028,928
1b.	Other Operating Income	727	357	745	1,084	1,012	2,234
2.	Expenses						
a)	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(11,503)	(2,166)	(46,269)	(13,669)	(27,347)	(3,691)
b)	Cost of materials consumed	37,572	21,663	24,298	59,235	57,065	127,329
c)	Purchases of Stock-in-trade	186,324	180,238	246,071	366,562	429,902	761,759
d)	Purchases of Services	4,518	5,993	3,009	10,511	6,275	17,959
e)	Stores & Spares consumed and Others	6,132	4,893	4,823	11,025	9,631	22,235
f)	Employee benefits expense	12,845	12,090	11,699	24,935	22,774	45,879
g)	Administration, Selling, Repairs & Others	11,518	8,397	10,189	19,915	18,984	42,886
h)	Exchange Differences Loss / (Gain) #	651	1,292	1,156	1,943	3,330	6,425
i)	Depreciation and amortisation expense	1,238	1,182	1,025	2,420	2,016	4,312
	Total Expenses	249,295	233,582	256,001	482,877	522,630	1,025,093
3.	**Profit / (Loss) from Operations before Other Income & finance costs (1-2)**	(2,765)	943	1,195	(1,822)	2,844	6,069
4.	Other Income	1,770	2,208	1,556	3,978	3,947	8,094
5.	**Profit / (Loss) from ordinary activities before finance costs (3+4)**	(995)	3,151	2,751	2,156	6,791	14,163
6.	Finance costs	3,289	2,857	1,893	6,146	3,457	8,009
7.	**Profit / (Loss) from ordinary activities before Tax (5-6)**	(4,284)	294	858	(3,990)	3,334	6,154
8.	Tax Expense	(1,417)	40	(53)	(1,377)	804	1,368
9.	**Net Profit / (Loss) from ordinary activities after Tax (7-8)**	(2,867)	254	911	(2,613)	2,530	4,786
10.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
11.	**Net Profit / (Loss) for the period (9-10)**	(2,867)	254	911	(2,613)	2,530	4,786
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 previous accounting period						187,258
14.	Earnings per Share (EPS) (not annualised) Rs./share						
a)	EPS before extra ordinary items for the period						
	- Basic	(1.29)	0.11	0.41	(1.17)	1.14	2.15
	- Diluted	(1.29)	0.11	0.41	(1.17)	1.14	2.15
b)	EPS after extra ordinary items for the period						
	- Basic	(1.29)	0.11	0.41	(1.17)	1.14	2.15
	- Diluted	(1.29)	0.11	0.41	(1.17)	1.14	2.15

	# including unrealised Exchange Difference Loss / (Gain)						
	- Computer Systems & Other Related Products and Services			211		2,029	2,712
	- Telecommunication & Office Automation			91		680	746
	- Hardware Products and Solutions	(588)	(724)		(1,312)		
	- Services	44	(132)		(88)		
	- Distribution	1	8		9		
	- Learning	14	15		29		
	Total	(529)	(833)	302	(1,362)	2,709	3,458

Segment-wise Information (Refer Note- 2)

Rs Lakhs

	Particulars	Unaudited Three months ended 31.12.2012	30.09.2012	31.12.2011	Unaudited Six months ended 31.12.2012	31.12.2011	Audited Year ended 30.06.2012
1.	**Segment Revenue**						
	Products and Related Services						
	- Computer Systems & Other Related Products and Services (Gross)			66,236		135,804	307,678
	Less: Excise Duty			1,890		4,172	8,620
	- Computer Systems & Other Related Products and Services (Net)			64,346		131,632	299,058
	- Telecommunication & Office Automation (Net)			192,559		393,284	730,668
	-Hardware Products and Solutions (Gross)	98,799	62,475		161,274		
	Less: Excise Duty	1,417	1,411		2,828		
	- Hardware Products and Solutions (Net)	97,382	61,064		158,446		
	- Services	13,462	13,109		26,571		
	- Distribution	133,699	158,618		292,317		
	- Learning	1,359	1,572		2,931		
	Total	245,902	234,363	256,905	480,265	524,916	1,029,726
	Less : Intersegment revenue	99	195	454	294	454	798
	Net Sales / Income from Operations	245,803	234,168	256,451	479,971	524,462	1,028,928
2.	**Segment Results (Profit / (Loss) before Tax and Interest from each segment) #**						
	Products and Related Services						
	- Computer Systems & Other Related Products and Services			(819)		(727)	(1,194)
	- Telecommunication & Office Automation			4,080		8,570	15,803
	- Hardware Products and Solutions	(2,649)	(774)		(3,423)		
	- Services	1,439	2,155		3,594		
	- Distribution	2,441	3,017		5,458		
	- Learning	(521)	(264)		(785)		
	Total	710	4,134	3,261	4,844	7,843	14,609
	Less :						
	i) Interest Expense	3,289	2,857	1,893	6,146	3,457	8,009
	ii) Other un-allocable expenditure net off un-allocable (income)	1,705	983	510	2,688	1,052	446
	Total Profit before Tax	(4,284)	294	858	(3,990)	3,334	6,154
3.	**Capital Employed (Segment Assets - Segment Liabilities)**						
a)	Products and Related Services						
	- Computer Systems & Other Related Products and Services			124,340		124,340	106,769
	- Telecommunication & Office Automation			34,338		34,338	37,642
	- Hardware Products and Solutions	116,062	135,250		116,062		
	- Services	18,407	14,033		18,407		
	- Distribution	12,573	1,969		12,573		
	- Learning	2,256	2,096		2,256		
b)	Unallocated						
	- Liquid Assets	59,687	41,149	42,816	59,687	42,816	43,839
	- Others unallocated	85,847	86,463	60,849	85,847	60,849	69,902
	Total Capital Employed	294,832	280,960	262,343	294,832	262,343	258,152

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Part 2

Select information for the Quarter ended December 31, 2012

	Particulars	Unaudited Three months ended 31.12.2012	30.09.2012	31.12.2011	Unaudited Six months ended 31.12.2012	31.12.2011	Audited Year ended 30.06.2012
A)	**Particulars of Share holding**						
1.	Public Shareholding						
	- Number of Shares	109,726,271	109,726,271	109,726,271	109,726,271	109,726,271	109,726,271
	- Percentage of Shareholding	49.23%	49.23%	49.23%	49.23%	49.23%	49.23%
2.	Promoters and Promoter Group Shareholding						
a)	Pledged / Encumbered						
	- Number of shares	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
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
b)	Non - encumbered						
	- Number of shares	113,153,358	113,153,358	113,153,358	113,153,358	113,153,358	113,153,358
	- 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)	50.77%	50.77%	50.77%	50.77%	50.77%	50.77%

	Particulars	Three months ended 31.12.2012
B)	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the Quarter	NIL
	Received during the Quarter	1
	Disposed of during the Quarter	1
	Remaining unresolved at the end of the Quarter	NIL

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 14, 2013. The results have been subjected to limited review by the statutory auditors.
2. In the previous year/periods, the Company was reporting "Computer Systems and Other Related Products and Services" and 'Telecommunication and Office Automation" as its primary segments. Considering the existing internal reporting structure, the Company has now reorganised its primary business segments as "Hardware Products and Solutions business" (comprising of Hardware Solutions business, Computing products manufacturing and Channel business), "Services business", "Learning business" and "Distribution business", consequent to which segment disclosures for the quarter and half year ended December 31, 2012 are presented based on revised segments. In accordance with the requirements of AS 17, segment disclosures for the previous quarter ended September 30, 2012 are restated in line with the revised segment structure, however, prior year/periods comparatives for the quarter/half year ended December, 2011 and year ended June 2012 for new reportable segments are not disclosed as it is impracticable to compute strictly comparable numbers. Accordingly, "Computer Systems and Other Related Products and Services" and "Telecommunication and Office Automation" have been reported as segments for the quarter/half year ended December, 2011 and year ended June 2012.
   There is no change in the secondary segment reporting, which continues to be based upon geographical location of the customers.
3. The Board of Directors had at its meeting held on January 14, 2013, approved a business restructuring plan consisting of a Composite Scheme of Arrangement (the Scheme) under the provisions of Section 391 and 394 of the Companies Act, 1956. The Scheme inter-alia envisages transfer of Hardware Solutions Business, Services business and Learning Business of the Company to separate wholly owned subsidiaries namely HCL System Integration Limited, HCL Care Limited and HCL Learning Limited respectively. The Scheme also envisages merger of HCL Infocom Limited, a wholly owned subsidiary with the Company. January 1, 2013 has been fixed as the Appointed Date. The Scheme is subject to requisite consent/ approval of the shareholders, lenders, creditors of the Company and sanction of the Hon'ble High Court of Judicature at Delhi and other statutory or regulatory authorities.
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. 227 lakhs stands deferred as at December 31, 2012.
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.

Statement of Assets and Liabilities — Rs Lakhs

Particulars	As at 31.12.2012 (Unaudited)	As at 30.06.2012 (Audited)
A EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	4,458	4,458
Reserves and surplus	184,646	187,258
Sub-Total - Shareholders' funds	189,104	191,716
Non Current Liabilities		
Long term Borrowings	18,269	12,307
Other Long term Liabilities	15,725	14,883
Long term Provisions	2,328	2,365
Sub-Total - Non Current Liabilities	36,322	29,555
Current Liabilities		
Short-term borrowings	81,500	47,749
Trade payables	183,796	163,787
Other current liabilities	45,678	52,332
Short-term provisions	1,559	1,581
Sub-Total - Current Liabilities	312,533	265,449
Total - EQUITY AND LIABILITIES	537,959	486,720
B ASSETS		
Non-current assets		
Fixed Assets	30,245	29,822
Non-current investments	14,039	11,782
Deferred tax assets (net)	3,651	2,273
Long-term loans and advances	8,456	5,887
Trade receivables	1,228	2,281
Other non-current assets	36,265	33,678
Sub-Total - Non Current assets	93,884	85,723
Current Assets		
Current investments	59,487	43,177
Inventories	77,529	65,895
Trade receivables	120,967	118,061
Cash and bank balances	29,051	22,420
Short-term loans and advances	31,073	29,783
Other current assets	125,968	121,661
Sub-Total - Current assets	444,075	400,997
Total - ASSETS	537,959	486,720

By order of the Board
for HCL Infosystems Limited

HARSH CHITALE
CEO & Whole Time Director

HCL INFOSYSTEMS LTD. NOIDA

Place : Noida
Date : February 14 , 2013