

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended September 30, 2011

Rs Lakhs

Consolidated Segment-wise Information

Rs Lakhs

Particulars	Consolidated			Standalone			Consolidated Segment-wise Information		
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
	Three months ended September 30, 2011		Year ended June 30, 2011	Three months ended September 30, 2011		Year ended June 30, 2011	Three months ended September 30, 2011		Year ended June 30, 2011
- Gross Sales / Income from Operations	281,039	299,072	1,154,211	270,293	288,765	1,105,914			
- Less: Excise Duty	2,282	3,135	12,219	2,282	3,135	12,219			
1a. Net Sales / Income from Operations	278,757	295,937	1,141,992	268,011	285,630	1,093,695			
1b. Other Operating Income	408	1,209	3,027	267	1,041	1,982			
2. Expenditure									
a) (Increase) / Decrease in Stock in Trade and Work in Progress	18,066	6,311	22,671	18,922	6,323	23,080			
b) Consumption of Raw Materials	32,769	37,919	162,656	32,767	37,919	162,656			
c) Purchase of Traded Goods	192,990	215,626	798,502	183,831	207,645	759,653			
d) Purchase of Services	4,481	5,457	19,421	3,266	4,198	14,484			
e) Stores & Spares consumed and Others	4,944	4,245	23,397	4,808	4,142	23,002			
f) Employees Cost	11,938	11,153	48,689	11,075	10,174	44,831			
g) Administration, Selling, Repairs & Others	9,457	8,754	42,029	8,795	8,216	40,281			
h) Exchange Difference (Loss (+)/Gain(-)) #	2,181	-674	-1,023	2,174	-662	-968			
i) Depreciation	1,122	863	3,836	991	732	3,320			
Total Expenditure	277,948	289,654	1,120,178	266,629	278,687	1,070,339			
3. Profit from Operations before Other Income & Interest (1-2)	1,217	7,492	24,841	1,649	7,984	25,338			
4. Other Income	2,408	1,336	6,041	2,391	1,285	5,769			
5. Profit before Interest (3+4)	3,625	8,828	30,882	4,040	9,269	31,107			
6. Interest Expense	1,704	1,432	7,938	1,564	1,289	7,397			
7. Profit (+) / Loss (-) from ordinary activities before Tax (5-6)	1,921	7,396	22,944	2,476	7,980	23,710			
8. Tax Expense	855	2,568	6,011	857	2,570	5,987			
9. Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)	1,066	4,828	16,933	1,619	5,410	17,723			
10. Extraordinary items (net of tax expense)	-	-	-	-	-	-			
11. Net Profit (+) / Loss (-) for the period before minority interest (9-10)	1,066	4,828	16,933	1,619	5,410	17,723			
12. Profit (+) / Loss (-) attributable to Minority Interest	-149	82	114	NA	NA	NA			
13. Net Profit (+) / Loss (-) for the period (11-12)	1,215	4,746	16,819	1,619	5,410	17,723			
14. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,458	4,365	4,458	4,458	4,365	4,458			
15. Reserves excluding Revaluation Reserves as per Balance Sheet of the previous accounting year			186,264			190,246			
16. Earnings per Share (EPS) (not annualised) Rs./share									
a) EPS before extra ordinary items for the period									
- Basic	0.55	2.17	7.67	0.73	2.48	8.08			
- Diluted	0.55	2.17	7.67	0.73	2.48	8.08			
b) EPS after extra ordinary items for the period									
- Basic	0.55	2.17	7.67	0.73	2.48	8.08			
- Diluted	0.55	2.17	7.67	0.73	2.48	8.08			
17. Public Shareholding									
- Number of Shares	109,726,271	108,602,411	108,602,641	109,726,271	108,602,411	108,602,641			
- Percentage of Shareholding	49.23%	49.76%	48.73%	49.23%	49.76%	48.73%			
18. Promoters and Promoter Group Shareholding									
a) Pledged / Encumbered									
- Number of shares	NIL	1,319,250	1,319,250	NIL	1,319,250	1,319,250			
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	1.20%	1.15%	NIL	1.20%	1.15%			
- Percentage of shares (as a % of the total share capital of the company)	NIL	0.60%	0.59%	NIL	0.60%	0.59%			
b) Non - encumbered									
- Number of shares	113,153,358	108,337,071	112,957,738	113,153,358	108,337,071	112,957,738			
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	98.80%	98.85%	100.00%	98.80%	98.85%			
- Percentage of shares (as a % of the total share capital of the company)	50.77%	49.64%	50.68%	50.77%	49.64%	50.68%			
# including unrealised Exchange Difference (Loss (+)/Gain(-))									
- Computer Systems & Other Related Products and Services	1,818	-413	-243	1,818	-413	-243			
- Telecommunication & Office Automation	589	-277	-107	589	-277	-107			
- Internet & Related Services (Discontinuing Operation)	-	-	-	-	-	-			
Total	2,407	-690	-350	2,407	-690	-350			

Particulars	Unaudited		Audited
	Three months ended September 30, 2011		Year ended June 30, 2011
		2011	2010
1. Segment Revenue			
a) Products and Related Services			
- Computer Systems & Other Related Products and Services (Gross)	72,151	89,886	369,141
Less: Excise Duty	2,282	3,135	12,219
- Computer Systems & Other Related Products and Services (Net)	69,869	86,751	356,922
- Telecommunication & Office Automation (Net)	207,334	207,713	780,487
b) Internet & Related Services (Discontinuing Operation)	1,762	1,937	7,472
Total	278,965	296,401	1,144,881
Less : Intersegment revenue	208	464	2,889
Net Sales / Income from Operations	278,757	295,937	1,141,992
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment) #			
a) Products and Related Services			
- Computer Systems & Other Related Products and Services	-68	3,582	11,782
- Telecommunication & Office Automation	4,525	5,368	19,276
b) Internet & Related Services (Discontinuing Operation)	-402	-327	-1,071
Total	4,055	8,623	29,987
Less :			
i) Interest Expense	1,704	1,432	7,938
ii) Other un-allocable expenditure net off	2,838	1,131	5,146
iii) un-allocable income	2,408	1,336	6,041
Total Profit before Tax	1,921	7,396	22,944
3. Capital Employed (Segment Assets - Segment Liabilities)			
a) Products and Related Services			
- Computer Systems & Other Related Products and Services	136,161	140,305	136,342
- Telecommunication & Office Automation	28,758	27,998	30,995
b) Internet & Related Services (Discontinuing Operation)	-450	-619	-803
c) Unallocated			
- Liquid Assets	49,770	77,685	60,764
- Others unallocated	39,328	15,830	26,655
Total Capital Employed	253,567	261,199	253,953

Notes

1. The above results, after recommendation by the Audit Committee, have been approved and taken on record by the Board of Directors at its meeting held on November 4, 2011. The results have been subjected to limited review by the statutory auditors.
2. The Board of Directors at the above meeting has declared interim dividend of Re. 1/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2011-12. The Register of Members and Share Transfer Books of the Company would remain closed from Monday, November 14, 2011 to Tuesday, November 15, 2011 (both days inclusive) for the purpose of payment of dividend.
3. The Company and Nokia India Private Limited have signed a Distributor Sales agreement on August 12, 2011 for the period of three years effective from January 1, 2012, to extend distribution relationship for Nokia devices.
4. During the current quarter, the Company has with effect from August 1, 2011, transferred its Digital Entertainment business as a going concern on slump sale basis, to Digilife Distribution and Marketing Services Limited (formerly known as 'HCL Security Limited'), the wholly owned subsidiary, for a consideration of Rs. 3,500 lakhs, and acquired the Security and Surveillance business of Digilife Distribution and Marketing Services Limited as a going concern on slump sale basis, for a consideration of Rs. 600 lakhs. Accordingly, the stand alone results for quarter ended September 30, 2011 include the loss of Security and Surveillance business of Rs. 124.11 lakhs and does not include the profit of Digital Entertainment business of Rs. 8.54 lakhs.
In consolidated results, these transactions do not have any material financial impact.
5. During the quarter ended September 30, 2011, HCL Touch Inc., US was incorporated as a wholly owned subsidiary of the Company.
6. The Company has signed a Share Purchase Agreement (SPA) with a Buyer in January, 2011 for the sale of its entire equity stake in HCL Infinet Limited, the wholly owned subsidiary, reported as Internet & Related services segment, which is accordingly identified as discontinuing operation.

During the current quarter, the Company in its stand alone results has made a provision of Rs. Nil (Year ended June 30, 2011: Rs. 34 lakhs) as permanent diminution in the value of long term investment and Rs. 305 lakhs (Year ended June 30, 2011: Rs. 752 lakhs) as provision for loan given to HCL Infinet Limited. However, this does not have any impact on consolidated results of the Company.

The sale/transfer of the entire equity stake in HCL Infinet Limited shall be given effect on receipt of necessary regulatory approvals. Accordingly, gain amounting to Rs. 2,345 lakhs as on September 30, 2011 arising on sale of HCL Infinet Limited in consolidated results will be accounted for on consummation of this transaction.
7. Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
8. Consolidated Results include financial results of HCL Infosystems Limited (the parent company) and its eight subsidiaries and their four subsidiaries and two joint venture companies.
9. The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. Its subsidiary HCL Insys Pte. Limited, Singapore and step down subsidiary HCL Infosystems MEA FZCO, Dubai and its subsidiaries HCL Infosystems LLC, Dubai and HCL Infosystems (Abu Dhabi), LLC operate in Computer Systems segment. The Company's subsidiary HCL Infinet Limited operates in Internet & Related Services segment. The subsidiary Digilife Distribution and Marketing services Ltd.(formerly known as 'HCL Security Limited') and HCL Investment Pte Limited, Singapore, and its joint venture Techmart Telecom Distribution FZCO, Dubai (a joint venture of HCL Investment Pte Limited, Singapore) form part of Telecommunication & Office Automation segment. The other four subsidiaries namely Pimpri Chinchwad eServices Limited, RMA Software Park Private Limited, HCL Touch Inc., USA and HCL Infosystems South Africa (Pty) Limited, South Africa are unallocated as there are no commercial operations in these entities.
10. Three investor complaints were received and resolved during the quarter ended September 30, 2011. No investor complaints were pending at the beginning and at the end of the quarter.
11. 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

Place : New Delhi
Date : November 4, 2011

HARSH CHITALE
Chief Executive Officer

AJAI CHOWDHRY
Chairman