

HCL INFOSYSTEMS LIMITED
Regd.Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
Audited Financial Results for the Year ended June 30, 2011

		Rs. Lakhs								Consolidated Segment-wise Information								Rs. Lakhs			
	Particulars	Consolidated				Standalone															
		Unaudited		Audited		Unaudited		Audited						Unaudited		Audited					
		Three months ended		Year ended		Three months ended		Year ended						Three months ended		Year ended					
		June 30, 2011	2010	2011	2010	June 30, 2011	2010	2011	2010					2011	2010	2011	2010				
-	Gross Sales / Income from Operations	263,975	323,438	1,154,211	1,215,859	250,265	319,755	1,105,914	1,206,178												
-	Less: Excise Duty	2,435	2,952	12,219	10,877	2,435	2,952	12,219	10,877												
1a.	Net Sales / Income from Operations	261,540	320,486	1,141,992	1,204,982	247,830	316,803	1,093,695	1,195,301												
1b.	Other Operating Income #	528	(93)	4,050	2,980	304	-157	2,950	2,644												
2.	Expenditure																				
a)	(Increase) / Decrease in Stock in Trade and Work in Progress	8,976	(1,756)	22,671	13,758	8,787	(1,439)	23,080	14,085												
b)	Consumption of Raw Materials	49,097	55,581	162,656	184,897	49,097	53,924	162,656	182,866												
c)	Purchase of Traded Goods	169,224	219,257	798,502	845,308	157,874	218,864	759,653	844,883												
d)	Purchase of Services	3,154	10,994	19,421	31,294	1,945	9,728	14,484	26,211												
e)	Stores & Spares consumed and Others	5,615	4,929	23,397	19,345	5,517	4,833	23,002	18,918												
f)	Employees Cost	12,155	10,968	48,689	39,124	11,300	10,306	44,831	36,841												
g)	Administration, Selling, Repairs & Others	11,843	10,485	42,029	36,600	11,884	9,931	40,281	34,605												
h)	Depreciation and Amortisation	999	718	3,836	2,551	872	600	3,320	2,173												
	Total Expenditure	261,063	311,176	1,121,201	1,172,877	247,276	306,747	1,071,307	1,160,582												
3.	Profit from Operations before Other Income & Interest (1-2)	1,005	9,217	24,841	35,085	858	9,899	25,338	37,363												
4.	Other Income	1,634	1,600	6,041	3,482	1,426	1,373	5,769	3,246												
5.	Profit before Interest (3+4)	2,639	10,817	30,882	38,567	2,284	11,272	31,107	40,609												
6.	Interest Expense	2,038	1,197	7,938	3,921	1,950	1,158	7,397	3,744												
7.	Profit (+) / Loss (-) from ordinary activities before Tax (5-6)	601	9,620	22,944	34,646	334	10,114	23,710	36,865												
8.	Tax Expense	-455	2,897	6,011	10,408	-482	2,950	5,987	10,710												
9.	Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)	1,056	6,723	16,933	24,238	816	7,164	17,723	26,155												
10.	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-												
11.	Net Profit (+) / Loss (-) for the period before minority interest (9-10)	1,056	6,723	16,933	24,238	816	7,164	17,723	26,155												
12.	Minority Interest	-92	-	114	-	NA	NA	NA	NA												
13.	Net Profit (+) / Loss (-) for the period (11-12)	1,148	6,723	16,819	24,238	816	7,164	17,723	26,155												
14.	Paid-up Equity Share Capital (Face value per share is Rs. 2/-)	4,458	4,365	4,458	4,365	4,458	4,365	4,458	4,365												
15.	Reserves excluding Revaluation Reserves as per Balance sheet			186,264	183,135			190,246	186,094												
16.	Earnings per Share (EPS) (not annualised) Rs./share																				
a)	EPS before extra ordinary items for the period																				
-	Basic	0.52	3.08	7.67	11.92	0.37	3.28	8.08	12.86												
-	Diluted	0.52	3.08	7.67	11.90	0.37	3.28	8.08	12.84												
b)	EPS after extra ordinary items for the period																				
-	Basic	0.52	3.08	7.67	11.92	0.37	3.28	8.08	12.86												
-	Diluted	0.52	3.08	7.67	11.90	0.37	3.28	8.08	12.84												
17.	Public Shareholding																				
-	Number of Shares	108,602,641	108,602,181	108,602,641	108,602,181	108,602,641	108,602,181	108,602,641	108,602,181												
-	Percentage of Shareholding	48.73%	49.76%	48.73%	49.76%	48.73%	49.76%	48.73%	49.76%												
18.	Promoters and Promoter Group Shareholding																				
a)	Pledged / Encumbered																				
-	Number of shares	1,319,250	1,319,250	1,319,250	1,319,250	1,319,250	1,319,250	1,319,250	1,319,250												
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	1.15%	1.20%	1.15%	1.20%	1.15%	1.20%	1.15%	1.20%												
-	Percentage of shares (as a % of the total share capital of the company)	0.59%	0.60%	0.59%	0.60%	0.59%	0.60%	0.59%	0.60%												
b)	Non-encumbered																				
-	Number of shares	112,957,738	108,337,071	112,957,738	108,337,071	112,957,738	108,337,071	112,957,738	108,337,071												
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	98.85%	98.80%	98.85%	98.80%	98.85%	98.80%	98.85%	98.80%												
-	Percentage of shares (as a % of the total share capital of the company)	50.68%	49.64%	50.68%	49.64%	50.68%	49.64%	50.68%	49.64%												
19.	Paid up Debt Capital (Debentures)																				
20.	Debenture Redemption Reserve																				
21.	Debt Equity Ratio (times) *																				
22.	Debt Service Coverage Ratio (DSCR) (times) **																				
23.	Interest Service Coverage Ratio (ISCR) (times) ***																				
#	includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ losses on restatement of trade payables and receivables)	(267)	(519)	1,023	1,189	(248)	(521)	968	1,187												

Particulars		Consolidated		Standalone	
		As at June 30,		As at June 30,	
		2011	2010	2011	2010
Shareholders' funds					
Share Capital		4,458	4,365	4,458	4,365
Share Warrant Application Money		-	1,767	-	1,767
Reserves and Surplus		186,264	183,135	190,246	186,094
Minority Interest		400	-	NA	-
Loan funds					
Secured Loans		15,292	16,268	11,043	15,202
Unsecured Loans		47,539	35,791	46,711	35,791
Total		253,953	241,326	252,458	243,219
Fixed Assets		36,374	28,728	25,201	19,691
Investments		60,708	85,373	70,505	91,119
Deferred Tax Assets (Net)		2,138	1,351	1,680	894
Current assets, loans and advances					
Inventories		61,426	83,957	58,625	83,540
Sundry Debtors		215,284	210,772	208,426	209,733
Cash and Bank Balance		26,518	30,019	23,469	29,261
Other Current Assets		39,154	25,251	38,806	24,929
Loans and Advances		27,793	25,499	29,875	28,271
		370,175	375,498	359,201	375,734
Less: Current liabilities and provisions					
Current Liabilities		205,558	236,767	193,787	230,814
Provisions		9,884	12,857	10,342	13,405
Net Current Assets		154,733	125,874	155,072	131,515
Total		253,953	241,326	252,458	243,219

* Debt Equity Ratio = Long Term Debts / (Paid-up Equity Share Capital + Share Warrants Application Money + Reserves excluding Revaluation Reserves)

** DSCR = Profit Before Interest on long term debts and Tax / (Interest Expense on long term debts + Principal Repayment of Long Term Debts)

*** ISCR = Profit Before Interest on long term debts and Tax / Interest Expense on long term debts

Notes:

1. The above results for the year ended June 30, 2011 have been audited by the statutory auditors. 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 17, 2011.
2. The Board of Directors at the above meeting has recommended a final dividend of Rs. 2/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2010-11. This is subject to approval of the members of the Company at the ensuing Annual General Meeting. The aggregate of interim (quarterly) dividends paid and final dividend recommended represents Rs. 8/- (400%) per fully paid up equity share of Rs. 2/- each for the Financial Year 2010-11.
3. Pursuant to the approval granted by the Shareholders in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company had raised Rs 47,267 lakhs through Qualified Institutional Placement and Rs 26,901 lakhs through Preferential issue during the last year.

During the Quarter ended June 30, 2011 on receipt of the balance 75% subscription money amounting to Rs. 5,299 lakhs upon exercise of option of conversion of 46,20,667 warrants, the Company has allotted equivalent number of equity shares of Rs. 2/- each at a price of Rs.152.90 per equity share including a premium of Rs. 150.90 per equity share to the Promoter. After allotment of the aforesaid shares, there are no outstanding warrants.

The funds raised through the Qualified Institutions Placement and Preferential allotment have been utilized as under:

Rs. Lakhs		
Particulars	2011	2010
Gross Proceeds		
- Preferential issue	32,200	26,901
- Qualified Institutions placement	47,267	47,267
Less: Share expenses incurred adjusted with Securities Premium Account	(1,455)	(1,451)
Net Proceeds	78,012	72,717
Utilisation towards		
- Capital Expenditure	7,334	5,650
- Acquisitions	2,530	140
- Working Capital	30,310	-
Total Utilisation	40,174	5,790
Unutilised- currently held in Unquoted and Quoted (Non-Trade) current investments	37,838	66,927

4. During the quarter ended June 30, 2011, HCL Infosystems South Africa Pty. Limited, South Africa was incorporated as a wholly owned subsidiary of HCL Investments Pte. Limited, Singapore.
- 5 (i) Pursuant to the approval of the shareholders obtained in accordance with Section 293(1)(a) of the Companies Act, 1956, on July 28, 2011 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 3500 lakhs.

Turnover for the year and quarter ended on June 30, 2011 of Digital Entertainment business is Rs. 40,796 lakhs and Rs 7,340 lakhs respectively and gross profit for the year and quarter ended on June 30, 2011 is Rs. 2,184 lakhs and Rs 315 lakhs respectively.

- (ii) The Company has, with effect from August 1, 2011, acquired the Security and Surveillance business of Digilife Distribution and Marketing Services Limited (formerly known as 'HCL Security Limited') as a going concern on slump sale basis for a consideration of Rs 600 lakhs.

Turnover for the year and quarter ended on June 30, 2011 of Security and Surveillance business is Rs. 5,661 lakhs and Rs.1,432 lakhs respectively and loss before tax for the year and quarter ended on June 30, 2011 is Rs.807 lakhs and 0.42 lakhs respectively.

In consolidated financial statements these transactions are not expected to have a material financial impact.

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 standalone results has made a provision of Rs 35.00 lakhs as permanent diminution in the value of long term investment and Rs. 757 lakhs as a provision for loan given to HCL Infinet Limited. However, this does not have any impact on consolidated result 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 2,240 lakhs as on June 30, 2011 arising on sale of HCL Infinet Limited in consolidated result will be accounted for on consummation of this transaction.
7. Tax expense (current) has been computed by applying the provisions of Income Tax Act, 1961 to the profits of the financial year ended June 30, 2011 although the actual tax liability has to be computed with reference to the tax profit for each fiscal year ended March 31.

8. Consolidated Results include financial results of HCL Infosystems Limited (the parent company) and its seven subsidiaries and their four subsidiaries and two joint venture companies.
9. The Company on a standalone basis operate in Computer Systems and Telecommunication & Office Automation segments. It's subsidiary HCL Insys Pte. Limited, Singapore and step down subsidiary HCL Infosystems MEA, 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 HCL Security Limited (known as Digilife Distribution and Marketing services Ltd. w.e.f August 1, 2011) 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.
10. Six investor complaints were received and resolved during the quarter ended June 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 : Noida
Date : August 17, 2011

HARSH CHITALE AJAI CHOWDHRY
Chief Executive Officer Chairman