

**HCL INFOSYSTEMS LIMITED**

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

**Audited Financial Results for the Year ended June 30, 2010**

Rs. Lakhs

Particulars	Consolidated				Standalone			
	Unaudited		Audited		Unaudited		Audited	
	Three months ended June 30, 2010	2009	Year ended June 30, 2010	2009	Three months ended June 30, 2010	2009	Year ended June 30, 2010	2009
<b>- Gross Sales / Income from Operations</b>	<b>323,438</b>	<b>313,291</b>	<b>1,215,859</b>	<b>1,237,849</b>	<b>319,755</b>	<b>312,615</b>	<b>1,206,178</b>	<b>1,233,681</b>
- Less: Excise Duty	2,952	2,658	10,877	12,608	2,952	2,658	10,877	12,608
1a. Net Sales / Income from Operations	320,486	310,633	1,204,982	1,225,241	316,803	309,957	1,195,301	1,221,073
1b. Other Operating Income #	(93)	1,145	2,980	(464)	(157)	1,138	2,644	(766)
2. Expenditure								
a) (Increase) / Decrease in Stock in Trade and Work in Progress	(1,756)	16,976	13,758	(1,856)	(1,439)	17,002	14,085	(1,790)
b) Consumption of Raw Materials	55,581	44,654	184,897	186,034	53,924	44,652	182,866	186,067
c) Purchase of Traded Goods	219,257	212,652	847,319	892,835	218,864	212,930	846,894	892,775
d) Purchase of Services	10,994	6,848	31,294	25,641	9,728	5,592	26,211	22,366
e) Stores & Spares consumed and Others	4,929	2,844	17,334	13,645	4,833	2,774	16,907	13,432
f) Employees Cost	10,968	8,258	39,124	33,823	10,306	8,083	36,841	32,598
g) Administration, Selling, Repairs & Others	10,485	9,820	36,600	34,475	9,931	9,428	34,605	32,767
h) Depreciation and Amortisation	718	592	2,551	2,125	600	466	2,173	1,727
<b>Total Expenditure</b>	<b>311,176</b>	<b>302,644</b>	<b>1,172,877</b>	<b>1,186,722</b>	<b>306,747</b>	<b>300,927</b>	<b>1,160,582</b>	<b>1,179,942</b>
3. Profit from Operations before Other Income & Interest (1-2)	9,217	9,134	35,085	38,055	9,899	10,168	37,363	40,365
4. Other Income	1,600	352	3,482	1,542	1,373	347	3,246	1,487
5. Profit before Interest (3+4)	10,817	9,486	38,567	39,597	11,272	10,515	40,609	41,852
6. Interest Expense	1,197	1,008	3,921	4,466	1,158	1,027	3,744	4,466
7. Profit (+) / Loss (-) from ordinary activities before Tax (5-6)	9,620	8,478	34,646	35,131	10,114	9,488	36,865	37,386
8. Tax Expense	2,897	2,436	10,408	11,136	2,950	2,650	10,710	11,342
9. Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)	6,723	6,042	24,238	23,995	7,164	6,838	26,155	26,044
10. Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-	-	-	-
11. Net Profit(+) / Loss (-) for the period (9-10)	6,723	6,042	24,238	23,995	7,164	6,838	26,155	26,044
12. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,365	3,424	4,365	3,424	4,365	3,424	4,365	3,424
13. Reserves excluding Revaluation Reserves as per Balance sheet			183,135	108,766			186,094	109,812
14. Earnings per Share (EPS) (not annualised) Rs./share								
a) EPS before extra ordinary items for the period								
- Basic	3.08	3.53	11.92	14.02	3.28	3.99	12.86	15.21
- Diluted	3.08	3.53	11.90	14.02	3.28	3.99	12.84	15.21
b) EPS after extra ordinary items for the period								
- Basic	3.08	3.53	11.92	14.02	3.28	3.99	12.86	15.21
- Diluted	3.08	3.53	11.90	14.02	3.28	3.99	12.84	15.21
15. Public Shareholding								
- Number of Shares	108,602,181	77,854,074	108,602,181	77,854,074	108,602,181	77,854,074	108,602,181	77,854,074
- Percentage of Shareholding	49.76%	45.47%	49.76%	45.47%	49.76%	45.47%	49.76%	45.47%
16. 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)	1.20%	1.41%	1.20%	1.41%	1.20%	1.41%	1.20%	1.41%
- Percentage of shares (as a % of the total share capital of the company)	0.60%	0.77%	0.60%	0.77%	0.60%	0.77%	0.60%	0.77%
b) Non-encumbered								
- Number of shares	108,337,071	92,038,707	108,337,071	92,038,707	108,337,071	92,038,707	108,337,071	92,038,707
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	98.80%	98.59%	98.80%	98.59%	98.80%	98.59%	98.80%	98.59%
- Percentage of shares (as a % of the total share capital of the company)	49.64%	53.76%	49.64%	53.76%	49.64%	53.76%	49.64%	53.76%
17. Paid up Debt Capital (Debentures)							8,000	8,000
18. Debenture Redemption Reserve							800	400
19. Debt Equity Ratio (times) *							0.09	0.09
20. Debt Service Coverage Ratio (DSCR) (times) **							19.21	44.37
21. Interest Service Coverage Ratio (ISCR) (times) ***							28.69	55.74
# includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ losses on restatement of trade payables and receivables)	(519)	682	1,189	(2,635)	(521)	679	1,187	(2,639)

**Consolidated Segment-wise Information**

Rs. Lakhs

Particulars	Unaudited		Audited	
	Three months ended June 30, 2010	2009	Year ended June 30, 2010	2009
<b>1. Segment Revenue</b>				
a) Products and Related Services				
- Computer Systems & Other Related Products and Services (Gross)	114,320	97,100	364,278	354,002
- Less: Excise Duty	2,952	2,658	10,877	12,608
- Computer Systems & Other Related Products and Services (Net)	111,368	94,442	353,401	341,394
- Telecommunication & Office Automation (Net)	209,388	217,793	852,897	887,449
b) Internet & Related Services	1,755	1,402	7,667	4,606
Total	322,511	313,637	1,213,965	1,233,449
Less : Intersegment revenue	2,025	3,004	8,983	8,208
<b>Net Sales / Income from Operations</b>	<b>320,486</b>	<b>310,633</b>	<b>1,204,982</b>	<b>1,225,241</b>
<b>2. Segment Results (Profit/ (Loss) before Tax and Interest from each segment)</b>				
a) Products and Related Services				
- Computer Systems & Other Related Products and Services	6,122	5,232	19,044	17,727
- Telecommunication & Office Automation	4,986	5,432	21,591	24,620
b) Internet & Related Services	(616)	(858)	(1,380)	(1,781)
Total	10,492	9,806	39,255	40,566
Less :				
i) Interest Expense	1,197	1,008	3,921	4,466
ii) Other un-allocable expenditure net off	1,275	672	4,170	2,511
iii) Un-allocable income	1,600	352	3,482	1,542
<b>Total Profit before Tax</b>	<b>9,620</b>	<b>8,478</b>	<b>34,646</b>	<b>35,131</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>				
a) Products and Related Services				
- Computer Systems & Other Related Products and Services			121,511	87,560
- Telecommunication & Office Automation			20,339	18,745
b) Internet & Related Services			(477)	(877)
c) Unallocated				
- Liquid Assets			85,579	26,854
- Others			14,374	2,593
<b>Total Capital Employed</b>			<b>241,326</b>	<b>134,875</b>

**Statement of Assets and Liabilities**

Rs. Lakhs

Particulars	Consolidated		Standalone	
	As at June 30, 2010	2009	As at June 30, 2010	2009
<b>Shareholder's funds</b>				
Share Capital	4,365	3,424	4,365	3,424
Share Warrant Application Money	1,767	-	1,767	-
Reserves and Surplus	183,135	108,766	186,094	109,812
<b>Loan funds</b>				
Secured Loans	16,268	10,185	15,202	10,185
Unsecured Loans	35,791	12,500	35,791	12,500
<b>Total</b>	<b>241,326</b>	<b>134,875</b>	<b>243,219</b>	<b>135,921</b>
Fixed Assets	28,728	18,521	19,691	16,013
Investments	85,373	26,004	91,119	27,610
Deferred Tax Assets	1,351	564	894	408
Current assets, loans and advances				
Inventories	83,957	88,909	83,540	88,826
Sundry Debtors	196,731	150,631	195,692	149,826
Cash and Bank Balance	30,019	21,007	29,262	20,299
Other Current Assets	25,251	10,468	24,928	10,235
Loans and Advances	25,499	20,144	28,271	19,190
	361,457	291,159	361,693	288,376
<b>Less: Current liabilities and provisions</b>				
Current Liabilities	222,726	193,540	216,773	188,297
Provisions	12,857	7,833	13,405	8,189
<b>Net Current Assets</b>	<b>125,874</b>	<b>89,786</b>	<b>131,515</b>	<b>91,890</b>
<b>Total</b>	<b>241,326</b>	<b>134,875</b>	<b>243,219</b>	<b>135,921</b>

\* 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, 2010 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 27, 2010.
- 2 The Board of Directors at the above meeting has recommended a final dividend of Rs. 2/- (100%) per fully paid up equity share of Rs. 2/- each for the Financial Year 2009-10. 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. 7.50 (375%) per fully paid up equity share of Rs. 2/- each for the Financial Year 2009-10.
- 3 Pursuant to the approval of the shareholders and in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company has:
  - i. On receipt of 25% subscription money, allotted 2,10,59,515 warrants priced at Rs. 152.90 per warrant to certain promoters on a preferential basis on October 7, 2009. Subsequently, 1,64,38,848 warrants have been converted into equal number of equity shares of Rs. 2 each on October 29, 2009 on receipt of the balance 75% subscription money.
  - ii. Raised Rs. 47,267 Lakhs by allotment of 3,05,55,713 equity shares of Rs. 2/- each at a price of Rs. 154.69 per equity share including a premium of Rs. 152.69 through Qualified Institutions placement on October 21, 2009
  - iii. The funds raised through above issues have been utilised as under:

Particulars	Rs. Lakhs
<b>Gross Proceeds</b>	
- Preferential Issue	26,901
- Qualified Institutions Placement	47,267
Less: Share Expenses Incurred adjusted with Securities Premium account	(1,451)
<b>Net Proceeds</b>	<b>72,717</b>
<b>Utilised towards Capital Assets</b>	<b>5790</b>
<b>Unutilised - Currently held in Unquoted (Non-Trade) current investments</b>	<b>66,927</b>

- 4 Subsequent to the year end, the Company through its wholly owned subsidiary, HCL Insys Pte. Limited, Singapore has in July 2010 acquired a majority equity stake (60%) in HCL Infosystems MEA FZCO (Formerly known as NTS FZCO), which is a Dubai based IT Infrastructure solutions provider, for a consideration of US \$ 6.45 million, out of which US \$ 3.83 million has been paid and the balance will be paid in subsequent years on achievement of performance targets and fulfillment of other conditions.
- 5 Pursuant to notification u/s 211(3C) of the Companies Act 1956 issued by the Ministry of Corporate Affairs on March 31, 2009, the Company had 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 useful life of the item. Accordingly, a loss of Rs. 199 lakhs stands deferred as at June 30, 2010.
- 6 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, 2010 although the actual tax liability has to be computed with reference to the tax profit for each fiscal year ended March 31.
- 7 Consolidated Results include results of HCL Infinet Limited, HCL Security Limited, HCL Infocom Limited, RMA Software Park Private Limited and HCL Insys Pte. Limited, Singapore, wholly owned subsidiaries of the Company and proportionate results of Nokia - HCL Mobile Internet Services Limited, a Joint Venture of HCL Infocom Limited with Nokia Corporation, Finland with 49% shareholding.
- 8 The Company on a standalone basis and its subsidiary HCL Insys Pte. Limited, Singapore operate in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary HCL Infinet Limited operates in Internet & Related Services segment. HCL Security Limited, engaged in the business of Security & Surveillance solutions, forms part of Telecommunication & Office Automation segment.
- 9 One investor complaint was received and resolved during the quarter ended June 30, 2010. No investor complaints were pending at the beginning and at the end of the quarter.
- 10 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 27, 2010

AJAI CHOWDHRY  
Chairman and Chief Executive Officer