

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended December 31, 2009

Particulars	Consolidated						Standalone			Consolidated Segment-wise Information				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited	Unaudited		Unaudited	
	Three months ended December 31, 2009	2008	Six months ended December 31, 2009	2008	Year ended June 30, 2009	Three months ended December 31, 2009	2008	Six months ended December 31, 2009	2008	Year ended June 30, 2009	Three months ended December 31, 2009	2008	Six months ended December 31, 2009	2008
- Gross Sales / Income from Operations	305,428	312,892	608,174	622,737	1,237,849	303,059	311,819	604,243	620,703	1,233,681				
- Less: Excise Duty	2,279	3,223	5,128	7,192	12,608	2,279	3,223	5,128	7,192	12,608				
1a. Net Sales / Income from Operations	303,149	309,669	603,046	615,545	1,225,241	300,780	308,596	599,115	613,511	1,221,073				
1b. Other Operating Income #	1,206	(342)	1,437	(1,597)	(464)	1,121	(496)	1,181	(1,838)	(766)				
2. Expenditure														
a) (Increase) / Decrease in Stock in Trade and Work in Progress	(5,494)	3,275	5,566	(6,041)	(1,856)	(5,440)	3,286	5,591	(6,027)	(1,790)				
b) Consumption of Raw Materials	33,917	41,342	72,868	96,303	186,034	33,919	41,356	72,877	96,326	186,067				
c) Purchase of Traded Goods	238,202	228,343	452,901	453,509	892,835	238,239	228,238	452,881	453,406	892,775				
d) Purchase of Services	7,510	6,152	13,027	10,630	25,641	6,253	5,602	10,473	9,612	22,366				
e) Stores & Spares consumed and Others	3,958	3,529	7,265	6,448	13,645	3,815	3,485	7,031	6,364	13,432				
f) Employees Cost	9,462	8,647	18,418	16,744	33,823	8,896	8,344	17,359	16,179	32,598				
g) Administration, Selling, Repairs & Others	8,155	8,509	16,471	16,323	34,475	7,601	8,071	15,532	15,515	32,767				
h) Depreciation	688	506	1,276	974	2,125	532	417	999	820	1,727				
Total Expenditure	296,398	300,303	587,792	594,890	1,186,722	293,815	298,799	582,743	592,195	1,179,942				
3. Profit from Operations before Other Income & Interest (1-2)	7,957	9,024	16,691	19,058	38,055	8,086	9,301	17,553	19,478	40,365				
4. Other Income	808	355	1,213	886	1,542	804	335	1,205	847	1,487				
5. Profit before Interest (3+4)	8,765	9,379	17,904	19,944	39,597	8,890	9,636	18,758	20,325	41,852				
6. Interest Expense	970	1,281	1,812	2,242	4,466	879	1,273	1,721	2,228	4,466				
7. Profit (+) / Loss (-) from ordinary activities before Tax (5-6)	7,795	8,098	16,092	17,702	35,131	8,011	8,363	17,037	18,097	37,386				
8. Tax Expense	2,186	2,573	4,586	5,568	11,136	2,261	2,563	4,722	5,556	11,342				
9. Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)	5,609	5,525	11,506	12,134	23,995	5,750	5,800	12,315	12,541	26,044				
10. Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-	-	-	-	-	-				
11. Net Profit(+)/ Loss (-) for the period (9-10)	5,609	5,525	11,506	12,134	23,995	5,750	5,800	12,315	12,541	26,044				
12. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,365	3,423	4,365	3,423	3,424	4,365	3,423	4,365	3,423	3,424				
13. Reserves excluding Revaluation Reserves as per Balance sheet of the previous accounting year					108,766					109,812				
14. Earnings per Share (EPS) (not annualised) Rs./share														
a) EPS before extra ordinary items for the period														
- Basic	2.72	3.23	6.10	7.09	14.02	2.79	3.39	6.53	7.33	15.21				
- Diluted	2.70	3.23	6.08	7.09	14.02	2.77	3.39	6.50	7.33	15.21				
b) EPS after extra ordinary items for the period														
- Basic	2.72	3.23	6.10	7.09	14.02	2.79	3.39	6.53	7.33	15.21				
- Diluted	2.70	3.23	6.08	7.09	14.02	2.77	3.39	6.50	7.33	15.21				
15. Public Shareholding														
- Number of Shares						108,554,402	77,836,677	108,554,402	77,836,677	77,854,074				
- Percentage of Shareholding						49.74%	45.47%	49.74%	45.47%	45.47%				
16. Promoters and Promoter Group Shareholding														
a) Pledged / Encumbered														
- Number of shares						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%		1.20%		1.41%				
- Percentage of shares (as a % of the total share capital of the company)						0.60%		0.60%		0.77%				
b) Non-encumbered														
- Number of shares						108,364,975		108,364,975		92,038,707				
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)						98.80%		98.80%		98.59%				
- Percentage of shares (as a % of the total share capital of the company)						49.66%		49.66%		53.76%				
17. Paid up Debt Capital (Debentures)								8,000	8,000	8,000				
18. Debenture Redemption Reserve								600	100	400				
19. Debt Equity Ratio (times) *								0.05	0.10	0.09				
20. Debt Service Coverage Ratio (DSCR) (times) **								22.15	227.51	48.78				
21. Interest Service Coverage Ratio (ISCR) (times) ***								31.43	227.51	61.28				
# includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ losses on restatement of trade payables and receivables)	651	(957)	479	(2,603)	(2,635)	649	(956)	478	(2,603)	(2,639)				

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

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

*** ISCR = Profit Before Interest and Tax / Interest Expense on Long Term Debts

Particulars	Unaudited		Unaudited		Audited
	Three months ended December 31, 2009	2008	Six months ended December 31, 2009	2008	Year ended June 30, 2009
1. Segment Revenue					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services (Gross)	72,176	81,820	153,918	169,414	354,002
- Less: Excise Duty	2,279	3,223	5,128	7,192	12,608
- Computer Systems & Other Related Products and Services (Net)	69,897	78,597	148,790	162,222	341,394
- Telecommunication & Office Automation (Net)	232,881	231,420	455,043	454,395	887,449
b) Internet & Related Services	2,477	985	4,144	1,926	4,606
Total	305,255	311,002	607,977	618,543	1,233,449
Less : Intersegment revenue	2,106	1,333	4,931	2,998	8,208
Net Sales / Income from Operations	303,149	309,669	603,046	615,545	1,225,241
2. Segment Results (Profit/ (Loss) before Tax and interest from each segment)					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services	2,802	3,661	7,628	8,417	17,727
- Telecommunication & Office Automation	5,699	6,102	11,255	12,373	24,620
b) Internet & Related Services	119	(240)	(424)	(378)	(1,781)
Total	8,620	9,523	18,459	20,412	40,566
Less :					
i) Interest Expense	970	1,281	1,812	2,243	4,466
ii) Other un-allocable expenditure net off	663	499	1,768	1,353	2,511
iii) Un-allocable income	808	355	1,213	886	1,542
Total Profit before Tax	7,795	8,098	16,092	17,702	35,131
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services			110,858	94,892	87,560
- Telecommunication & Office Automation			16,840	31,107	18,745
b) Internet & Related Services			(282)	(672)	(877)
c) Unallocated					
- Liquid Assets			88,157	4,521	26,854
- Others			14,780	5,446	2,593
Total Capital Employed			230,353	135,294	134,875

- Notes:
- 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 January 25, 2010. These results have been subjected to a limited review by the statutory auditors.
 - The Board of Directors at the above meeting has declared interim dividend of Rs. 2/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2009-10. The "Record Date" for the payment of dividend will be February 3, 2010.
 - The Company has acquired 100% share capital of RMA Software Park Private Limited ("RMA"). This does not have any material impact on the financial results of the quarter.
 - During the quarter ended December 31, 2009, HCL Infosys Pte. Limited has been incorporated in Singapore, as a wholly owned subsidiary. The subsidiary is yet to commence its commercial operations.
 - During the quarter ended December 31, 2009, 31,285 equity shares of Rs. 2/- each fully paid up were issued and allotted pursuant to the exercise of stock options under Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005.
 - 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 amortize such exchange difference over the useful life of the item. Accordingly, a gain of Rs. 61 lakhs stands deferred as at December 31, 2009.
 - Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
 - Consolidated Results include results of HCL Infnit Limited (formerly Microcomp Limited), HCL Security Limited, HCL Infocom Limited, RMA and HCL Infosys Pte. Limited, 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.
 - The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary HCL Infnit Limited operates in Internet & Related Services segment. HCL Security Limited, engaged in the business of Security & Surveillance solutions, is shown under Telecommunication & Office Automation segment.
 - One investor complaint was received and resolved during the quarter ended December 31, 2009. No investor complaints were pending at the beginning and at the end of the quarter.
 - 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

AJAI CHOWDHRY
Chairman and Chief Executive Officer

Place : Noida
Date : January 25, 2010