

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended March 31, 2011

Rs. Lakhs

Consolidated Segment-wise Information

Rs. Lakhs

Particulars	Consolidated					Standalone				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended March 31, 2011	2010	Three months ended March 31, 2011	2010	Year ended June 30, 2010	Three months ended March 31, 2011	2010	Three months ended March 31, 2011	2010	Year ended June 30, 2010
- Gross Sales / Income from Operations	275,791	284,247	890,236	892,421	1,215,859	261,529	282,180	855,649	886,423	1,206,178
- Less: Excise Duty	2,790	2,797	9,784	7,925	10,877	2,790	2,797	9,784	7,925	10,877
1a. Net Sales / Income from Operations	273,001	281,450	880,452	884,496	1,204,982	258,739	279,383	845,865	878,498	1,195,301
1b. Other Operating Income #	790	1,636	3,522	3,073	2,980	545	1,620	2,646	2,801	2,644
2. Expenditure										
a) (Increase) / Decrease in Stock in Trade and Work in Progress	899	9,948	13,695	15,514	13,758	1,487	9,933	14,293	15,524	14,085
b) Consumption of Raw Materials	33,572	56,448	113,560	129,316	184,897	33,569	56,065	113,559	128,942	182,866
c) Purchase of Traded Goods	195,851	175,161	629,277	628,062	847,319	183,844	175,149	601,779	628,030	846,894
d) Purchase of Services	3,463	7,273	16,267	20,300	31,294	2,236	6,010	12,539	16,483	26,211
e) Stores & Spares consumed and Others	7,885	5,140	17,782	12,405	17,334	7,791	5,043	17,485	12,074	16,907
f) Employees Cost	12,890	9,738	36,534	28,156	39,124	11,926	9,176	33,531	26,535	36,841
g) Administration, Selling, Repairs & Others	10,459	9,644	30,186	26,115	36,600	9,887	9,142	28,397	24,674	34,605
h) Depreciation and Amortisation	1,004	557	2,837	1,833	2,551	875	574	2,448	1,573	2,173
Total Expenditure	266,023	273,909	860,138	861,701	1,172,877	251,615	271,092	824,031	853,835	1,160,582
3. Profit from Operations before Other Income & Interest (1-2)	7,768	9,177	23,836	25,868	35,085	7,669	9,911	24,480	27,464	37,363
4. Other Income	1,603	669	4,407	1,882	3,482	1,543	668	4,343	1,873	3,246
5. Profit before Interest (3+4)	9,371	9,846	28,243	27,750	38,567	9,212	10,579	28,823	29,337	40,609
6. Interest Expense	2,412	912	5,899	2,724	3,921	2,254	865	5,447	2,586	3,744
7. Profit (+) / Loss (-) from ordinary activities before Tax (5-6)	6,959	8,934	22,344	25,026	34,646	6,958	9,714	23,376	26,751	36,865
8. Tax Expense	1,562	2,925	6,467	7,511	10,408	1,562	3,038	6,469	7,760	10,710
9. Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)	5,397	6,009	15,877	17,515	24,238	5,396	6,676	16,907	18,991	26,155
10. Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
11. Net Profit (+) / Loss (-) for the period before minority interest (9-10)	5,397	6,009	15,877	17,515	24,238	5,396	6,676	16,907	18,991	26,155
12. Minority Interest	69	-	206	-	-	NA	NA	NA	NA	NA
13. Net Profit (+) / Loss (-) for the period (11-12)	5,328	6,009	15,671	17,515	24,238	5,396	6,676	16,907	18,991	26,155
14. Paid-up Equity Share Capital (Face value per share is Rs. 2/-)	4,365	4,365	4,365	4,365	4,365	4,365	4,365	4,365	4,365	4,365
15. Reserves excluding Revaluation Reserves as per Balance sheet of the previous accounting year					183,135					186,094
16. Earnings per Share (EPS) (not annualised) Rs./share										
a) EPS before extra ordinary items for the period										
- Basic	2.44	2.75	7.18	8.83	11.92	2.47	3.06	7.75	9.57	12.86
- Diluted	2.44	2.75	7.18	8.80	11.90	2.47	3.05	7.75	9.54	12.84
b) EPS after extra ordinary items for the period										
- Basic	2.44	2.75	7.18	8.83	11.92	2.47	3.06	7.75	9.57	12.86
- Diluted	2.44	2.75	7.18	8.80	11.90	2.47	3.05	7.75	9.54	12.84
17. Public Shareholding										
- Number of Shares	108,602,641	108,602,181	108,602,641	108,602,181	108,602,181	108,602,641	108,602,181	108,602,641	108,602,181	108,602,181
- Percentage of Shareholding	49.76%	49.76%	49.76%	49.76%	49.76%	49.76%	49.76%	49.76%	49.76%	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	1,319,250	1,319,250
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
- Percentage of shares (as a % of the total share capital of the company)	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
b) Non-encumbered										
- Number of shares	108,337,071	108,337,071	108,337,071	108,337,071	108,337,071	108,337,071	108,337,071	108,337,071	108,337,071	108,337,071
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	98.80%	98.80%	98.80%	98.80%	98.80%	98.80%	98.80%	98.80%	98.80%	98.80%
- Percentage of shares (as a % of the total share capital of the company)	49.64%	49.64%	49.64%	49.64%	49.64%	49.64%	49.64%	49.64%	49.64%	49.64%
# includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ losses on restatement of trade payables and receivables)	274	1,229	1,290	1,708	1,189	219	1,230	1,216	1,708	1,187

Particulars	Unaudited		Unaudited		Audited
	Three months ended March 31, 2011		Nine months ended March 31, 2010		Year ended June 30, 2010
	2011	2010	2011	2010	2010
1. Segment Revenue					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services (Gross)	89,847	96,040	283,752	249,958	364,278
Less: Excise Duty	2,790	2,797	9,784	7,925	10,877
- Computer Systems & Other Related Products and Services (Net)	87,057	93,243	273,968	242,033	353,401
- Telecommunication & Office Automation (Net)	185,628	188,467	603,725	643,509	852,897
b) Internet & Related Services (Discontinuing Operations)	1,838	1,768	5,636	5,912	7,667
Total	274,523	283,478	883,329	891,454	1,213,965
Less : Intersegment revenue	1,522	2,028	2,877	6,958	8,983
Net Sales / Income from Operations	273,001	281,450	880,452	884,496	1,204,982
2. Segment Results (Profit/ (Loss) before Tax and Interest from each segment)					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services	4,494	5,294	12,556	12,922	19,044
- Telecommunication & Office Automation	4,502	5,350	15,580	16,605	21,591
b) Internet & Related Services (Discontinuing Operations)	(239)	(340)	(848)	(764)	(1,380)
Total	8,757	10,304	27,288	28,763	39,255
Less :					
i) Interest Expense	2,412	912	5,899	2,724	3,921
ii) Other un-allocable expenditure net off	989	1,127	3,452	2,895	4,170
iii) Un-allocable income	1,603	669	4,407	1,882	3,482
Total Profit before Tax	6,959	8,934	22,344	25,026	34,646
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services	144,164	118,225	144,164	118,225	121,511
- Telecommunication & Office Automation	35,288	29,784	35,288	29,784	20,339
b) Internet & Related Services (Discontinuing Operations)	(809)	(560)	(809)	(560)	(477)
c) Unallocated					
- Liquid Assets	77,523	79,324	77,523	79,324	85,579
- Others	30,551	14,309	30,551	14,309	14,374
Total Capital Employed	286,717	241,082	286,717	241,082	241,326

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 April 28, 2011. These 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 Rs. 2/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2010-11. The "Record Date" for the payment of dividend will be May 6, 2011.
3. During the quarter, the Company through a wholly owned subsidiary incorporated in Singapore has acquired 20% equity stake in a Dubai based company (a joint-venture as per AS-27), the financial results for which have been consolidated as per proportionate consolidation basis and do not have a material impact on the net sales or profit for the quarter.
4. 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 a discontinuing operation. The sale/transfer of the entire equity stake shall be given effect on receipt of necessary regulatory approvals.
5. The Company on receipt of 25% upfront money had allotted on preferential basis 4,620,667 convertible share warrants to HCL Corporation Limited at a price of Rs. 152.90 per share warrant on October 7, 2009. Subsequently, on receipt of balance 75% allotment money on April 5, 2011, the Company has converted these share warrants into equivalent number of 4,620,667 equity shares of Rs 2/- each at a price of Rs.152.90 per equity share (including share premium of Rs 150.90 per equity share). After this equity share allotment, there are no share warrants outstanding for conversion.
6. Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
7. Consolidated Results include financial results of HCL Infosystems Limited (the parent company) and its seven subsidiaries and their three subsidiaries and two joint venture companies.
8. The Company on a standalone basis operate in Computer Systems and Telecommunication & Office Automation segments and also its 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 and HCL Investment Pte Limited, Singapore & its joint venture Techmart Telecom Distribution FZCO, Dubai forms part of Telecommunication & Office Automation segment.
9. Seven investor complaints were received and resolved during the quarter ended March 31, 2011. 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 : April 28, 2011

AJAI CHOWDHRY
Chairman

