

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended September 30, 2009

| Particulars | Consolidated | | | Standalone | | |
|---|---------------------------------------|----------------------------------|--------------------------|---------------------------------------|----------------------------------|--------------------------|
| | Unaudited | | Audited | Unaudited | | Audited |
| | Three months ended September 30, 2009 | Three months ended June 30, 2009 | Year ended June 30, 2009 | Three months ended September 30, 2009 | Three months ended June 30, 2009 | Year ended June 30, 2009 |
| - Gross Sales / Income from Operations | 302,746 | 309,845 | 1,237,849 | 301,184 | 308,884 | 1,233,681 |
| - Less: Excise Duty | 2,849 | 3,969 | 12,608 | 2,849 | 3,969 | 12,608 |
| 1a. Net Sales / Income from Operations | 299,897 | 305,876 | 1,225,241 | 298,335 | 304,915 | 1,221,073 |
| 1b. Other Operating Income # | 231 | (1,255) | (464) | 60 | (1,342) | (766) |
| 2. Expenditure | | | | | | |
| a) (Increase) / Decrease in Stock in Trade and Work in Progress | 11,060 | (9,316) | (1,856) | 11,031 | (9,312) | (1,790) |
| b) Consumption of Raw Materials | 38,951 | 54,961 | 186,034 | 38,958 | 54,970 | 186,067 |
| c) Purchase of Traded Goods | 214,699 | 225,166 | 892,835 | 214,642 | 225,168 | 892,775 |
| d) Purchase of Services | 5,517 | 4,478 | 25,641 | 4,220 | 4,010 | 22,366 |
| e) Stores & Spares consumed and Others | 3,307 | 2,919 | 13,645 | 3,216 | 2,879 | 13,432 |
| f) Employees Cost | 8,956 | 8,097 | 33,823 | 8,463 | 7,835 | 32,598 |
| g) Administration, Selling, Repairs & Others | 8,316 | 7,814 | 34,475 | 7,931 | 7,444 | 32,767 |
| h) Depreciation | 588 | 468 | 2,125 | 467 | 403 | 1,727 |
| Total Expenditure | 291,394 | 294,587 | 1,186,722 | 288,928 | 293,397 | 1,179,942 |
| 3. Profit from Operations before Other Income & Interest (1-2) | 8,734 | 10,034 | 38,055 | 9,467 | 10,176 | 40,365 |
| 4. Other Income | 405 | 532 | 1,542 | 401 | 512 | 1,487 |
| 5. Profit before Interest (3+4) | 9,139 | 10,566 | 39,597 | 9,868 | 10,688 | 41,852 |
| 6. Interest Expense | 842 | 962 | 4,466 | 842 | 955 | 4,466 |
| 7. Profit (+) / Loss (-) from ordinary activities before Tax (5-6) | 8,297 | 9,604 | 35,131 | 9,026 | 9,733 | 37,386 |
| 8. Tax Expense | 2,400 | 2,995 | 11,136 | 2,461 | 2,993 | 11,342 |
| 9. Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8) | 5,897 | 6,609 | 23,995 | 6,565 | 6,740 | 26,044 |
| 10. Extraordinary items (net of tax expense Rs Nil) | - | - | - | - | - | - |
| 11. Net Profit (+) / Loss (-) for the period (9-10) | 5,897 | 6,609 | 23,995 | 6,565 | 6,740 | 26,044 |
| 12. Paid-up Equity Share Capital (Face value per share in Rs. 2/-) | 3,424 | 3,423 | 3,424 | 3,424 | 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 | 3.44 | 3.86 | 14.02 | 3.83 | 3.94 | 15.21 |
| - Diluted | 3.44 | 3.86 | 14.02 | 3.83 | 3.93 | 15.21 |
| b) EPS after extra ordinary items for the period | | | | | | |
| - Basic | 3.44 | 3.86 | 14.02 | 3.83 | 3.94 | 15.21 |
| - Diluted | 3.44 | 3.86 | 14.02 | 3.83 | 3.93 | 15.21 |
| 15. Public Shareholding | | | | | | |
| - Number of Shares | | | | 77,955,308 | 79,213,289 | 77,854,074 |
| - Percentage of Shareholding | | | | 45.53 | 46.28 | 45.47 |
| 16. Promoters and Promoter Group Shareholding | | | | | | |
| a) Pledged / Encumbered | | | | | | |
| - Number of shares | | | | 1,319,250 | 1,319,250 | |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | | | | 1.41% | 1.41% | |
| - Percentage of shares (as a % of the total share capital of the company) | | | | 0.77% | 0.77% | |
| b) Non - encumbered | | | | | | |
| - Number of shares | | | | 91,938,223 | 92,038,707 | |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | | | | 98.59% | 98.59% | |
| - Percentage of shares (as a % of the total share capital of the company) | | | | 53.70% | 53.76% | |

| | | | | | | |
|--|--------------|----------------|----------------|--------------|----------------|----------------|
| # includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ (losses) on restatement of trade payables and receivables) | (172) | (1,646) | (2,635) | (171) | (1,646) | (2,639) |
|--|--------------|----------------|----------------|--------------|----------------|----------------|

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 October 29, 2009. These results have been subjected to limited review by the statutory auditors.
- The Board of Directors at the above meeting has declared interim dividend of Rs 1.5/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2009-10. The Register of Members and Share Transfer Books of the Company would remain closed from Wednesday, November 11, 2009 to Thursday, November 12, 2009 (both days inclusive) for the purpose of payment of dividend.
- During the quarter ended September 30, 2009, 750 equity shares of Rs 2/- each fully paid up were issued and allotted pursuant to the exercise of stock options under HCL Infosystems Limited - Employee Stock Option Scheme.

Consolidated Segment-wise Information

| Particulars | Unaudited | | Audited | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Three months ended | | Year ended | |
| | September 30, 2009 | September 30, 2008 | September 30, 2009 | September 30, 2008 |
| 1. Segment Revenue | | | | |
| a) Products and Related Services | | | | |
| - Computer Systems & Other Related Products and Services (Gross) | 81,742 | 87,594 | 354,002 | |
| Less: Excise Duty | 2,849 | 3,969 | 12,608 | |
| - Computer Systems & Other Related Products and Services (Net) | 78,893 | 83,625 | 341,394 | |
| - Telecommunication & Office Automation (Net) | 222,162 | 222,975 | 887,449 | |
| b) Internet & Related Services | 1,667 | 941 | 4,606 | |
| Total | 302,722 | 307,541 | 1,233,449 | |
| Less : Intersegment revenue | 2,825 | 1,665 | 8,208 | |
| Net Sales / Income from Operations | 299,897 | 305,876 | 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 | 4,826 | 4,756 | 17,727 | |
| - Telecommunication & Office Automation | 5,556 | 6,271 | 24,620 | |
| b) Internet & Related Services | -543 | -138 | -1,781 | |
| Total | 9,839 | 10,889 | 40,566 | |
| Less : | | | | |
| i) Interest Expense | 842 | 962 | 4,466 | |
| ii) Other un-allocable expenditure net off | 1,105 | 855 | 2,511 | |
| iii) un-allocable income | 405 | 532 | 1,542 | |
| Total Profit before Tax | 8,297 | 9,604 | 35,131 | |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | |
| a) Products and Related Services | | | | |
| - Computer Systems & Other Related Products and Services | 108,221 | 98,110 | 87,560 | |
| - Telecommunication & Office Automation | 21,694 | 31,399 | 18,745 | |
| b) Internet & Related Services | -1,067 | -218 | -877 | |
| c) Unallocated | | | | |
| - Liquid Assets | 19,997 | 11,536 | 26,854 | |
| - Others unallocated (including investment in assets given on finance lease) | -770 | 1,252 | 2,593 | |
| Total Capital Employed | 148,075 | 142,079 | 134,875 | |

- 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:
 - 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.
 - 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
- 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 54 lakhs stands deferred as at September 30, 2009.
- Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
- The tax provision for the quarter ended September 30, 2009 includes a reversal of Rs 273 lakhs for liabilities no longer required.
- Consolidated results include results of HCL Infonet Limited (formerly Microcom Limited), HCL Security Limited and HCL Infocom 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 Infonet 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 September 30, 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.

for HCL Infosystems Limited

Place : Noida
Date : October 29, 2009

AJAI CHOWDHRY
Chairman and Chief Executive Officer