

**HCL INFOSYSTEMS LIMITED**  
Regd. Off. 806, Siddharth, 96 Nehru Place, New Delhi 110 019.  
**Unaudited Financial Results for the Quarter ended December 31, 2010**

Particulars	Consolidated						Standalone					
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited		
	Three months ended December 31, 2010	2009	Six months ended December 31, 2010	2009	Year ended June 30, 2010	Three months ended December 31, 2010	2009	Six months ended December 31, 2010	2009	Year ended June 30, 2010		
<b>Gross Sales / Income from Operations</b>	<b>315,373</b>	<b>305,428</b>	<b>614,445</b>	<b>608,174</b>	<b>1,215,859</b>	<b>305,355</b>	<b>303,059</b>	<b>594,120</b>	<b>604,243</b>	<b>1,206,176</b>		
Less: Excise Duty	3,859	2,279	6,994	5,128	10,877	3,859	2,279	6,994	5,128	10,877		
<b>Net Sales / Income from Operations</b>	<b>311,514</b>	<b>303,149</b>	<b>607,451</b>	<b>603,046</b>	<b>1,204,982</b>	<b>301,496</b>	<b>300,780</b>	<b>587,126</b>	<b>599,115</b>	<b>1,195,301</b>		
Other Operating Income #	849	1,206	2,732	1,437	2,980	398	1,121	2,101	1,181	2,644		
2 Expenditure												
a) (Increase) / Decrease in Stock in Trade and Work in Progress	6,484	-5,494	12,795	5,566	13,758	6,483	-5,440	12,806	5,591	14,085		
b) Consumption of Raw Materials	42,071	33,919	79,990	72,868	184,897	42,071	33,919	79,990	72,877	182,866		
c) Purchase of Traded Goods	217,798	238,200	433,424	452,901	847,319	210,290	238,239	417,935	452,881	846,894		
d) Purchase of Services	7,347	7,510	12,804	13,027	31,294	6,105	6,253	10,303	10,473	26,211		
e) Stores & Spares consumed and Others	5,652	3,958	9,897	7,265	17,334	5,552	3,815	9,694	7,031	16,907		
f) Employees Cost	12,491	9,462	23,644	18,418	39,124	11,431	8,896	21,605	17,359	36,841		
g) Administration, Selling, Repairs & Others	10,973	8,155	19,727	16,471	36,600	10,294	7,601	18,510	15,532	34,605		
h) Depreciation and Amortisation	970	688	1,833	1,276	2,551	841	532	1,573	999	2,173		
<b>Total Expenditure</b>	<b>303,786</b>	<b>296,398</b>	<b>594,114</b>	<b>587,792</b>	<b>1,172,877</b>	<b>293,067</b>	<b>293,815</b>	<b>572,416</b>	<b>582,743</b>	<b>1,160,582</b>		
<b>Profit from Operations before Other Income &amp; Interest (1-2)</b>	<b>8,577</b>	<b>7,957</b>	<b>16,069</b>	<b>16,691</b>	<b>35,085</b>	<b>8,827</b>	<b>8,086</b>	<b>16,811</b>	<b>17,553</b>	<b>37,363</b>		
Other Income	1,468	808	2,804	1,213	3,482	1,515	804	2,800	1,205	3,246		
<b>Profit before Interest (3+4)</b>	<b>10,045</b>	<b>8,765</b>	<b>18,873</b>	<b>17,904</b>	<b>38,567</b>	<b>10,342</b>	<b>8,890</b>	<b>19,611</b>	<b>18,758</b>	<b>40,609</b>		
Interest Expense	2,055	970	3,487	1,812	3,921	1,904	879	3,193	1,721	3,744		
<b>Profit (+) / Loss (-) from ordinary activities before Tax (5-6)</b>	<b>7,990</b>	<b>7,795</b>	<b>15,386</b>	<b>16,092</b>	<b>34,646</b>	<b>8,438</b>	<b>8,011</b>	<b>16,418</b>	<b>17,037</b>	<b>36,865</b>		
Tax Expense	2,337	2,186	4,905	4,586	10,408	2,337	2,261	4,907	4,722	10,710		
<b>Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)</b>	<b>5,653</b>	<b>5,609</b>	<b>10,481</b>	<b>11,506</b>	<b>24,238</b>	<b>6,101</b>	<b>5,750</b>	<b>11,511</b>	<b>12,315</b>	<b>26,155</b>		
Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-	-	-	-	-	-		
<b>Net Profit (+) / Loss (-) for the period before minority interests (9-10)</b>	<b>5,653</b>	<b>5,609</b>	<b>10,481</b>	<b>11,506</b>	<b>24,238</b>	<b>6,101</b>	<b>5,750</b>	<b>11,511</b>	<b>12,315</b>	<b>26,155</b>		
Minority Interests	55	-	137	-	-	NA	NA	NA	NA	NA		
<b>Net Profit (+) / Loss (-) for the period (11-12)</b>	<b>5,598</b>	<b>5,609</b>	<b>10,344</b>	<b>11,506</b>	<b>24,238</b>	<b>6,101</b>	<b>5,750</b>	<b>11,511</b>	<b>12,315</b>	<b>26,155</b>		
Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,365	4,365	4,365	4,365	4,365	4,365	4,365	4,365	4,365	4,365		
Reserves excluding Revaluation Reserves as per Balance sheet of the previous accounting year	-	-	-	-	183,135	-	-	-	-	186,094		
Earnings per Share (EPS) (not annualised) Rs./share												
a) EPS before extra ordinary items for the period												
- Basic	2.56	2.72	4.74	6.10	11.92	2.80	2.79	5.27	6.53	12.86		
- Diluted	2.56	2.70	4.74	6.08	11.90	2.80	2.77	5.27	6.50	12.84		
b) EPS after extra ordinary items for the period												
- Basic	2.56	2.72	4.74	6.10	11.92	2.80	2.79	5.27	6.53	12.86		
- Diluted	2.56	2.70	4.74	6.08	11.90	2.80	2.77	5.27	6.50	12.84		
17 Public Shareholding												
- Number of Shares	108,602,641	108,554,402	108,602,641	108,554,402	108,602,181	108,602,641	108,554,402	108,602,641	108,554,402	108,602,181		
- Percentage of Shareholding	49.76%	49.74%	49.76%	49.74%	49.76%	49.76%	49.74%	49.76%	49.74%	49.76%		
18 Promoters and Promoter Group Shareholding												
a) Pledged / Encumbered												
- Number of shares promoter group)	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 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 promoter group)	108,337,071	108,364,975	108,337,071	108,364,975	108,337,071	108,337,071	108,364,975	108,337,071	108,364,975	108,337,071		
- Percentage of shares (as a % of the total share capital of the company)	49.64%	49.66%	49.64%	49.66%	49.64%	49.64%	49.66%	49.64%	49.66%	49.64%		
19 Paid up Debt Capital (Debentures)												
Debt Redemption Reserve												
Debt Equity Ratio (times) *												
Debt Service Coverage Ratio (DSCR) (times) **												
Interest Service Coverage Ratio (ISCR) (times) ***												
# includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ losses on restatement of trade payables and receivables)	342	651	1016	479	1189	335	649	997	478	1187		

\* 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

Particulars	Consolidated Segment-wise Information					
	Unaudited		Unaudited		Audited	
	Three months ended December 31, 2010	2009	Six months ended December 31, 2010	2009	Year ended June 30, 2010	
<b>1. Segment Revenue</b>						
a) Products and Related Services	104,019	72,176	193,905	153,918	364,278	
- Computer Systems & Other Related Products and Services (Gross)	3,859	2,279	6,994	5,128	10,877	
Less: Excise Duty	100,160	69,897	186,911	148,790	353,401	
- Computer Systems & Other Related Products and Services (Net)	210,383	232,881	418,096	455,043	852,897	
- Telecommunication & Office Automation (Net)	1,861	2,477	3,798	4,144	7,667	
<b>Total</b>	<b>312,404</b>	<b>305,255</b>	<b>608,805</b>	<b>607,977</b>	<b>1,213,965</b>	
Less : Intersegment revenue	890	2,106	1,354	4,931	8,983	
<b>Net Sales / Income from Operations</b>	<b>311,514</b>	<b>303,149</b>	<b>607,451</b>	<b>603,046</b>	<b>1,204,982</b>	
<b>2. Segment Results (Profit/ (Loss) before Tax and Interest from each segment)</b>						
a) Products and Related Services	4,480	2,802	8,062	7,628	19,044	
- Computer Systems & Other Related Products and Services	5,710	5,699	11,078	11,255	21,591	
- Telecommunication & Office Automation	(282)	119	(609)	(424)	(1,380)	
b) Internet & Related Services (Discontinuing Operations)	9,908	8,620	18,531	18,459	39,255	
<b>Total</b>	<b>14,186</b>	<b>11,541</b>	<b>26,633</b>	<b>26,746</b>	<b>57,554</b>	
Less :						
i) Interest Expense	2,055	970	3,487	1,812	3,921	
ii) Other un-allocable expenditure net off	1,331	663	2,462	1,768	4,170	
iii) Un-allocable income	1,468	808	2,804	1,213	3,482	
<b>Total Profit before Tax</b>	<b>7,990</b>	<b>7,795</b>	<b>15,386</b>	<b>16,092</b>	<b>34,646</b>	
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>						
a) Products and Related Services			136,743	110,858	121,511	
- Computer Systems & Other Related Products and Services			24,531	16,840	20,339	
- Telecommunication & Office Automation			(818)	(820)	(477)	
b) Internet & Related Services (Discontinuing Operations)						
c) Unallocated			85,588	68,157	85,579	
- Liquid Assets			28,891	14,760	14,374	
- Others			56,697	53,397	71,205	
<b>Total Capital Employed</b>			<b>274,935</b>	<b>230,353</b>	<b>241,326</b>	

Particulars	Rs. Lakhs			
	Consolidated		Standalone	
	As at December 31, 2010 (Unaudited)	2009 (Unaudited)	As at December 31, 2010 (Unaudited)	2009 (Unaudited)
<b>Shareholder's funds</b>				
Share Capital	4,365	4,365	4,365	4,365
Share Warrant Application Money	1,766	1,766	1,766	1,766
Reserves and Surplus	188,149	185,686	192,513	187,521
Minority Interest	424	-	NA	NA
<b>Loan funds</b>				
Secured Loans	11,685	19,502	10,325	18,317
Unsecured Loans	68,545	19,034	68,270	19,035
<b>Total</b>	<b>274,935</b>	<b>230,353</b>	<b>277,240</b>	<b>231,004</b>
<b>Fixed Assets</b>	<b>33,992</b>	<b>26,990</b>	<b>23,241</b>	<b>18,071</b>
Investments	85,588	87,765	94,835	93,445
Deferred Tax Assets (Net)	1,227	656	769	363
<b>Current assets, loans and advances</b>				
Inventories	74,545	87,840	74,115	87,716
Sundry Debtors	235,133	165,523	223,205	164,325
Cash and Bank Balance	20,639	16,122	18,153	15,924
Other Current Assets	36,257	13,683	35,900	13,420
Loans and Advances	25,548	21,307	28,878	22,965
<b>Total</b>	<b>392,122</b>	<b>304,475</b>	<b>380,251</b>	<b>304,350</b>
<b>Less: Current liabilities and provisions</b>				
Current Liabilities	232,797	186,444	216,159	181,721
Provisions	5,196	3,089	5,697	3,504
<b>Net Current Assets</b>	<b>154,129</b>	<b>114,942</b>	<b>158,395</b>	<b>119,125</b>
<b>Total</b>	<b>274,935</b>	<b>230,353</b>	<b>277,240</b>	<b>231,004</b>

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 January 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 February 7, 2011.
3. During the quarter, the Company through a wholly owned subsidiary incorporated in Singapore has agreed to acquire 20% equity stake in a Dubai based company. As the acquisition would be completed after the closure of the current quarter, the financial results of that Dubai based company have not been considered in the above results.
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 Ininet 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. As per the SPA, all cash losses incurred by HCL Ininet Limited for carrying out its day to day business operations till the date of transfer of shares shall be funded and borne by the Company. The financial impact of this transaction would be accounted for in the standalone and consolidated financial results on consummation of the transaction.
5. During the quarter ended December 31, 2010, 230 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 2000.
6. 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 gain of Rs. 257 lakhs stands deferred as at December 31, 2010.
7. Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
8. Consolidated Results include financial results of HCL Infosystems Limited (the parent company) and its seven subsidiaries (including one subsidiary incorporated during the quarter) and their two subsidiaries and one joint venture company.
9. The Company on a standalone basis and 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 and Telecommunication & Office Automation segments. The Company's subsidiary HCL Ininet 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.
10. Five investor complaints were received and resolved during the quarter ended December 31, 2010. 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.

Place : Noida  
Date : January 28, 2011

By order of the Board  
for HCL Infosystems Limited

  
ANIL CHOUDHARY  
Chairman