

**HCL INFOSYSTEMS LIMITED**

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

**Unaudited Financial Results for the Quarter ended March 31, 2010**

Rs Lakhs

Particulars	Consolidated					Standalone				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended March 31, 2010	2009	Nine months ended March 31, 2010	2009	Year ended June 30, 2009	Three months ended March 31, 2010	2009	Nine months ended March 31, 2010	2009	Year ended June 30, 2009
- <b>Gross Sales / Income from Operations</b>	<b>284,247</b>	301,821	<b>892,421</b>	924,558	1,237,849	<b>282,180</b>	300,363	<b>886,423</b>	921,066	1,233,681
- Less: Excise Duty	2,797	2,758	7,925	9,950	12,608	2,797	2,758	7,925	9,950	12,608
1a. Net Sales / Income from Operations	281,450	299,063	884,496	914,608	1,225,241	279,383	297,605	878,498	911,116	1,221,073
1b. Other Operating Income #	1,636	(12)	3,073	(1,611)	(464)	1,620	(66)	2,801	(1,904)	(766)
2. Expenditure										
a) (Increase) / Decrease in Stock in Trade and Work in Progress	9,948	(12,791)	15,514	(18,833)	(1,856)	9,933	(12,765)	15,524	(18,792)	(1,790)
b) Consumption of Raw Materials	56,448	45,078	129,316	141,381	186,034	56,065	45,090	128,942	141,416	186,067
c) Purchase of Traded Goods	175,161	226,673	628,062	680,182	892,835	175,149	226,438	628,030	679,844	892,775
d) Purchase of Services	7,273	8,163	20,300	18,793	25,641	6,010	7,162	16,483	16,774	22,366
e) Stores & Spares consumed and Others	5,140	4,353	12,405	10,801	13,645	5,043	4,294	12,074	10,658	13,432
f) Employees Cost	9,738	8,821	28,156	25,565	33,823	9,176	8,336	26,535	24,515	32,598
g) Administration, Selling, Repairs & Others	9,644	8,332	26,115	24,655	34,475	9,142	7,824	24,674	23,339	32,767
h) Depreciation	557	559	1,833	1,533	2,125	574	441	1,573	1,261	1,727
<b>Total Expenditure</b>	<b>273,909</b>	289,188	<b>861,701</b>	884,077	1,186,722	<b>271,092</b>	286,820	<b>853,835</b>	879,015	1,179,942
3. <b>Profit from Operations before Other Income &amp; Interest (1-2)</b>	<b>9,177</b>	9,863	<b>25,868</b>	28,920	38,055	<b>9,911</b>	10,719	<b>27,464</b>	30,197	40,365
4. Other Income	669	304	1,882	1,191	1,542	668	294	1,873	1,140	1,487
5. <b>Profit before Interest (3+4)</b>	<b>9,846</b>	10,167	<b>27,750</b>	30,111	39,597	<b>10,579</b>	11,013	<b>29,337</b>	31,337	41,852
6. Interest Expense	912	1,216	2,724	3,458	4,466	865	1,211	2,586	3,439	4,466
7. <b>Profit (+) / Loss (-) from ordinary activities before Tax (5-6)</b>	<b>8,934</b>	8,951	<b>25,026</b>	26,653	35,131	<b>9,714</b>	9,802	<b>26,751</b>	27,898	37,386
8. Tax Expense	2,925	3,131	7,511	8,699	11,136	3,038	3,135	7,760	8,691	11,342
9. <b>Net Profit (+) / Loss (-) from ordinary activities after Tax (7-8)</b>	<b>6,009</b>	5,820	<b>17,515</b>	17,954	23,995	<b>6,676</b>	6,667	<b>18,991</b>	19,207	26,044
10. Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-	-	-	-	-	-
11. <b>Net Profit(+)/ Loss (-) for the period (9-10)</b>	<b>6,009</b>	5,820	<b>17,515</b>	17,954	23,995	<b>6,676</b>	6,667	<b>18,991</b>	19,207	26,044
12. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	4,365	3,424	4,365	3,424	3,424	4,365	3,424	4,365	3,424	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	2.75	3.40	8.83	10.49	14.02	3.06	3.89	9.57	11.22	15.21
- Diluted	2.75	3.40	8.80	10.49	14.02	3.05	3.89	9.54	11.22	15.21
b) EPS after extra ordinary items for the period										
- Basic	2.75	3.40	8.83	10.49	14.02	3.06	3.89	9.57	11.22	15.21
- Diluted	2.75	3.40	8.80	10.49	14.02	3.05	3.89	9.54	11.22	15.21
15. Public Shareholding										
- Number of Shares	108,602,181	77,761,749	108,602,181	77,761,749	77,854,074	108,602,181	77,761,749	108,602,181	77,761,749	77,854,074
- Percentage of Shareholding	49.76%	45.42%	49.76%	45.42%	45.47%	49.76%	45.42%	49.76%	45.42%	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	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%	1.41%	1.20%	1.41%	1.20%	1.41%	1.41%
- Percentage of shares (as a % of the total share capital of the company)	0.60%	0.77%	0.60%	0.77%	0.77%	0.60%	0.77%	0.60%	0.77%	0.77%
b) Non-encumbered										
- Number of shares	108,337,071	92,131,032	108,337,071	92,131,032	92,038,707	108,337,071	92,131,032	108,337,071	92,131,032	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%	98.59%	98.80%	98.59%	98.80%	98.59%	98.59%
- Percentage of shares (as a % of the total share capital of the company)	49.64%	53.81%	49.64%	53.81%	53.76%	49.64%	53.81%	49.64%	53.81%	53.76%
# includes Exchange Fluctuation Gains / (Losses) (including unrealised gains/ losses on restatement of trade payables and receivables)	1,229	(714)	1,708	(3,317)	(2,635)	1,230	(715)	1,708	(3,318)	(2,639)

**Consolidated Segment-wise Information**

Rs Lakhs

Particulars	Unaudited		Unaudited		Audited
	Three months ended March 31, 2010	2009	Nine months ended March 31, 2010	2009	Year ended June 30, 2009
<b>1. Segment Revenue</b>					
a) Products and Related Services					
- Computer Systems & Other Related Products and Services (Gross)	96,040	87,488	249,958	256,902	354,002
Less: Excise Duty	2,797	2,758	7,925	9,950	12,608
- Computer Systems & Other Related Products and Services (Net)	93,243	84,730	242,033	246,952	341,394
- Telecommunication & Office Automation (Net)	188,467	215,261	643,509	669,656	887,449
b) Internet & Related Services	1,768	1,278	5,912	3,204	4,606
Total	283,478	301,269	891,454	919,812	1,233,449
Less : Intersegment revenue	2,028	2,206	6,958	5,204	8,208
<b>Net Sales / Income from Operations</b>	<b>281,450</b>	<b>299,063</b>	<b>884,496</b>	<b>914,608</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	5,294	4,078	12,922	12,495	17,727
- Telecommunication & Office Automation	5,350	6,815	16,605	19,188	24,620
b) Internet & Related Services	(340)	(545)	(764)	(923)	(1,781)
Total	10,304	10,348	28,763	30,760	40,566
Less :					
i) Interest Expense	912	1,216	2,724	3,458	4,466
ii) Other un-allocable expenditure net off	1,127	485	2,895	1,840	2,511
iii) Un-allocable income	669	304	1,882	1,191	1,542
<b>Total Profit before Tax</b>	<b>8,934</b>	<b>8,951</b>	<b>25,026</b>	<b>26,653</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			118,225	95,749	87,560
- Telecommunication & Office Automation			29,784	25,681	18,745
b) Internet & Related Services			(560)	(301)	(877)
c) Unallocated					
- Liquid Assets			79,324	13,690	26,854
- Others			14,309	1,990	2,593
<b>Total Capital Employed</b>			<b>241,082</b>	<b>136,809</b>	<b>134,875</b>

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 April 30, 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 May 10, 2010.
- During the quarter ended March 31, 2010, 19,875 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. 314 lakhs stands deferred as at March 31, 2010.
- Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
- Consolidated Results include results of HCL Infinet Limited (formerly Microcomp 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.
- 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.
- Based on a technical evaluation, during the quarter ended March 31, 2010, the Company's subsidiary HCL Infinet Limited has increased the economic useful life of its networking equipments and other plant and machinery with effect from July 1, 2009. Consequently, depreciation expense under the consolidated financial results for the quarter is lower by Rs 187 lakhs with corresponding increase in net profit before tax.
- Two investor complaints were received and resolved during the quarter ended March 31, 2010. 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