

FAIRNESS OPINION


HCL INFOSYSTEMS LIMITED

February, 2013



Strictly Private & Confidential

Certified to be True
For HCL Infosystems Ltd.


Sushil Kumar Jain
Company Secretary

Ref. No: CPC/MB/067/2012-13

Dated 02.02.2013

SEBI Reg. No: INM000011435

To,

The Board of Directors

HCL Infosystems Limited

AND

HCL System Integration Limited

AND

HCL Care Limited

AND

HCL Learning Limited

AND

HCL Infocom Limited

Subject: Fairness Opinion on the proposed Scheme of Arrangement

Dear Sir,

We refer to our letter of engagement dated 30.01.2013 for the purpose of arriving at an opinion on the proposed scheme of arrangement which provides for transfer and vesting of the Hardware Solutions Business undertaking of HCL Infosystems Limited (HIL) into HCL System Integration Ltd; transfer and vesting of the Services Business Undertaking into HCL Care Ltd; transfer and vesting of the Learning Business Undertaking into HCL Learning Ltd and merger of HCL Infocom Limited into HIL on a going concern basis, pursuant to the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made there under.

In terms of our engagement letter, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the documents submitted to us and does not constitute our independent Analysis. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

The opinion is confidential and has been prepared exclusively for the management of HCL Infosystems Ltd, HCL Infocom Ltd and Transferee Companies. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

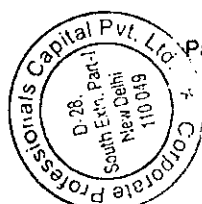
For Corporate Professionals Capital Private Limited

Maneesh Srivastava
Maneesh Srivastava

[Manager]

Deputed to the title
For HCL Infosystems Ltd.


Sushil Kumar Jain
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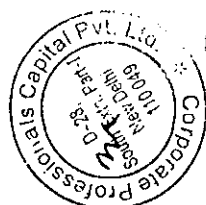


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Sushil Kumar Jain
Company Secretary



CONTEXT AND BACKGROUND


1. We understand that HCL Infosystems Ltd is listed at the BSE and NSE in India. The proposed scheme of arrangement provides for transfer and vesting of the Hardware Solutions Business undertaking of HCL Infosystems Limited (HIL) into HCL System Integration Ltd; transfer and vesting of the Services Business Undertaking into HCL Care Ltd; transfer and vesting of the Learning Business Undertaking into HCL Learning Ltd and merger of HCL Infocom Limited into HIL on a going concern basis, pursuant to the provisions of Section 391-394 and other applicable provisions of the Companies Act, 1956 and/or Rules/Regulations made there under.
2. In accordance with SEBI Circular dated September 4th 2008 amending the Clause 24(h) of the Listing Agreement applicable to the listed Companies, the listed Company as well as the unlisted Companies getting merged shall each be required to appoint an independent merchant banker for giving a "fairness opinion" on the valuation of assets / shares done by the Valuers for the Company and unlisted companies.

Clause 24(h) reads as below-

"The company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on valuation of assets / shares done by the valuer for the company and unlisted company."

3. With reference to the above, Corporate Professionals Capital Private Limited has been appointed as a Merchant Bankers by HCL Infosystems Ltd to provide the "fairness opinion" in accordance with the clause 24 of the Listing Agreement.

Verified to be True
For HCL Infosystems Ltd.


Sushil Kumar Jain
Company Secretary



BRIEF ABOUT COMPANIES

HCL Infosystems Ltd ('HIL'), is a company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019, India. The company is listed at the BSE & NSE stock exchange and is engaged in varied businesses such as computing and mobility, system integration, distribution, learning and IT services such as break-fix services, infrastructure management services and application services.


HCL System Integration Limited ('HCL SI') is a Company incorporated under the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place New Delhi - 110 019. HCL SI is a wholly owned subsidiary of HCL Infocom Ltd

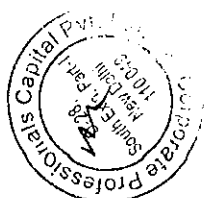
HCL Care Limited (HCL Care), a Company incorporated under the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019. HCL Care is a wholly owned subsidiary of HCL Infocom.

HCL Learning Limited (herein after referred to as 'Transferee Company' or 'HCL Learning'), is a Company incorporated under the Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019. HCL Learning is a wholly owned subsidiary of "HCL Infocom Ltd"

HCL Infocom Limited (herein after referred to as 'HCL Infocom'), is a Company incorporated under the provisions of Companies Act, 1956 having its Registered Office at 806, Siddharth, 96, Nehru Place, New Delhi - 110 019. HCL Infocom is a wholly owned subsidiary of "HIL".

Authorised to Sign
For HCL Infosystems Ltd.


Sushil Kumar Jain
Company Secretary



KEY FACTS & CERTAIN EXTRACT OF THE SCHEME

Based on our discussion with the key management personnel of the companies under the scheme of arrangement, we understand that HCL Infocom Limited is a wholly owned subsidiary of HCL Infosystems Limited. Further HCL Infocom Limited has three wholly owned subsidiaries under itself namely HCL System Integration Limited, HCL Care Limited and HCL Learning Limited.

HCL Infosystems Limited handles a diverse portfolio of businesses namely Telecom Business Hardware Solution Business, Service Business and Learning Business. The restructuring of the business is made with the objective of providing focused management orientation to each of the growth areas and to create a leaner organization for the hardware solution business.

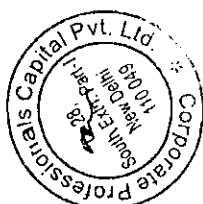
The Hardware Solutions Business Undertaking is intended to be transferred to HCL System Integration Limited a wholly owned subsidiary of HIL, without any consideration and accordingly HCL SI shall not issue any shares or pay any consideration to HIL or to their shareholders. In respect to this transfer the assets and liabilities pertaining to the Hardware Solutions Business Undertaking shall be recorded by HCL SI, at the respective fair values as on the Appointed Date and the difference shall be credited as Capital Reserve.

The consideration for transfer and vesting of the Services Business Undertaking of HIL into HCL Care shall be at Rs 61,00,00,000 as per the scheme of arrangement. HCL Care shall record the assets and liabilities of the Service Business Undertaking by apportioning the consideration stated in Clause 5.2 of the scheme, to the respective assets and liabilities based upon the fair values. In case of any excess of the consideration paid over the fair values of the assets and liabilities taken over shall be recorded as 'Goodwill'.

The consideration for transfer and vesting of the Learning Business Undertaking of HIL into HCL Learning shall be Rs 1,13,00,00,000 as per the scheme of arrangement. HCL Learning shall record the assets and liabilities of the Learning Business Undertaking by apportioning the consideration stated in Clause 5.3 of the scheme to the respective assets and liabilities based upon the fair values. In case of any excess of the consideration paid over the fair values of the assets and liabilities taken over shall be recorded as 'Goodwill'.

The HCL Infocom Limited which is a wholly owned subsidiary of HCL Infosystems Limited shall be merging with its holding company i.e. HCL Infosystems Ltd and no shares shall be issued under this merger as HCL Infocom Limited is a WOS of HCL Infosystems Ltd.

Post restructuring there would be no change in the shareholding pattern and the Promoter & Public share holding shall continue to remain at 50.77% & 49.23% respectively.



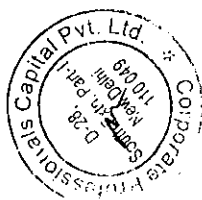
CONCLUSION & OPINION

- With reference to above and based on information provided by the management of the entities forming part of the arrangement and after analyzing the scheme of arrangement, we understand that the present scheme has been structured with the objective of providing focused management orientation to each of the growth areas and to create a leaner organization and to fulfill the overall objectives and business strategies of group as a whole.
- The scheme on an overall basis is serving two purposes; in the first instance demerger of certain businesses of Holding company is carried into its wholly owned subsidiaries and later merger of another wholly owned subsidiary (WOS), into Holding Company. In both events valuation is not undertaken as these are occurring within the Holding company and wholly owned subsidiaries and it does not involve any movement of assets or liabilities outside the group. There is also no change in the promoter and public shareholding pattern of the Public Listed company i.e. HCL Info systems Ltd.

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated September 04, 2008 we have reviewed the Scheme of arrangement and believe it to be fair and reasonable from a financial and commercial point of view.

Certified to be true
For HCL Infosystems Ltd.



Sushil Kumar Jain
Company Secretary



CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key managements, and other public available information while verifying the Scheme of arrangement. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this scheme of arrangement, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in HCL Infosystems Ltd or in it's any of its wholly owned subsidiaries like HCL System Integration Limited, HCL Learning Limited HCL Care Limited & HCL Infocom Ltd and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management of HCL Infosystems Ltd and its wholly owned subsidiaries under the scheme has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

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For HCL Infosystems Ltd.


Sushil Kumar Jain
Company Secretary