

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended March 31, 2008

Rs crores

Particulars	Consolidated					Standalone				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended	March 31,	Three months ended	March 31,	Year ended	Three months ended	March 31,	Three months ended	March 31,	Year ended
	2008	2007	2008	2007	2007	2008	2007 #	2008	2007	2007
1a Gross Sales / Income from Operations	3017.47	2954.25	9449.82	8747.12	11855.43	3007.65	7503.74	9422.35	8720.16	11818.25
1b. Less: Excise Duty	33.29	43.81	108.51	126.29	170.13	33.29	43.81	108.51	126.29	170.13
1. Net Sales / Income from Operations	2984.18	2910.44	9341.31	8620.83	11685.30	2974.36	7459.93	9313.84	8593.87	11648.12
2. Other Income	6.02	6.04	41.85	34.52	50.48	5.22	12.69	40.35	33.50	48.73
3. Total Income (1+2)	2990.20	2916.48	9383.16	8655.35	11735.78	2979.58	7472.62	9354.19	8627.37	11696.85
4. Expenditure										
a) (Increase) / Decrease in Stock in Trade and Work in Progress	-52.30	-1.41	-129.42	-226.87	-271.24	-52.32	-146.09	-129.44	-227.07	-270.99
b) Consumption of Raw Materials	438.76	351.28	1429.69	1058.41	1553.23	438.77	350.00	1430.36	1058.62	1553.27
c) Purchase of Traded Goods	2244.24	2269.91	7061.24	7005.72	9296.85	2244.26	6770.71	7061.28	7005.98	9297.12
d) Stores & Spares consumed and Others	67.43	60.76	171.74	155.86	222.27	60.77	65.68	152.34	141.07	202.40
e) Employees Cost	78.09	59.38	223.27	164.72	227.17	76.22	85.64	217.53	157.66	217.73
f) Administration, Selling, Repairs & Others	84.92	63.00	249.82	175.06	253.49	82.49	108.17	242.92	168.33	244.23
g) Depreciation	4.95	3.66	13.69	10.65	14.80	4.39	4.75	12.06	8.92	12.55
Total Expenditure	2866.09	2806.58	9020.03	8343.55	11296.57	2854.58	7238.86	8987.05	8313.51	11256.31
5. Interest Expense (Net)	10.63	3.24	28.57	6.69	10.50	10.64	-1.63	28.61	6.76	10.55
6. Profit (+) / Loss (-) from ordinary activities before Tax (3-4-5)	113.48	106.66	334.56	305.11	428.71	114.36	235.39	338.53	307.10	429.99
7. Tax Expense										
- Current	31.98	15.05	98.18	67.33	105.90	31.98	59.38	98.18	67.33	105.90
- Deferred	-0.91	2.97	-1.45	4.69	2.71	-0.91	1.81	-1.45	4.19	2.21
- Fringe Benefit	0.93	0.66	2.81	2.04	4.15	0.91	1.08	2.74	1.95	4.03
8. Profit (+) / Loss (-) from ordinary activities after Tax (6-7)	81.48	87.98	235.02	231.05	315.95	82.38	173.12	239.06	233.63	317.85
9. Extraordinary items (net of tax expense Rs Nil)	-	-	-	-	-	-	-	-	-	-
10. Net Profit(+)/ Loss (-) for the period (8-9)	81.48	87.98	235.02	231.05	315.95	82.38	173.12	239.06	233.63	317.85
11. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	34.21	33.81	34.21	33.81	33.83	34.21	33.81	34.21	33.81	33.83
12. Reserves excluding Revaluation Reserves as per Balance sheet of the previous accounting year					822.93					808.46
13. Earnings per Share (EPS) (not annualised) Rs/share										
a) EPS before extra ordinary items for the period										
- Basic	4.77	5.21	13.80	13.68	18.70	4.82	10.24	14.04	13.83	18.82
- Diluted	4.68	5.17	13.54	13.58	18.57	4.74	10.17	13.77	13.73	18.68
b) EPS after extra ordinary items for the period										
- Basic	4.77	5.21	13.80	13.68	18.70	4.82	10.24	14.04	13.83	18.82
- Diluted	4.68	5.17	13.54	13.58	18.57	4.74	10.17	13.77	13.73	18.68
14. Public Shareholding										
- Number of Shares								79173245	76769908	76952786
- Percentage of Shareholding								46.29	45.41	45.49

Notes:

- The above results have been subjected to Limited Review by the statutory auditors. After approval by the Audit Committee, these results have been approved and taken on record by the Board of Directors at its meeting held on April 24, 2008.
- The Board of Directors at the above meeting has declared third interim dividend of Rs.2/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2007-08. The "Record Date" for payment of the dividend will be Friday, May 2, 2008. The aggregate of interim (quarterly) dividends represents 300% for the nine months.
- The Scheme of Amalgamation for merging the wholly owned subsidiary, Stelmac Engineering Pvt. Ltd. (Stelmac) with the Company w.e.f. April 1, 2007, the appointed date has been approved by the Hon'ble High Court of Delhi, which has come into effect on January 30, 2008. On Scheme becoming effective, Stelmac stands dissolved without winding up. The accounts of the Company on standalone basis for the quarter and nine months ended March 31, 2008 include the results of Stelmac for nine months ended March 31, 2008, the impact of which is not material.
- As disclosed earlier, a Scheme of Arrangement sanctioned by Hon'ble High Court of Delhi came into effect on 31st March, 2007. Pursuant to the Scheme, Telecommunication and Office Automation business of erstwhile HCL Infonet Limited was amalgamated with the Company. The previous year's figures of the standalone Company for the quarter ended March 31, 2007 included the impact of amalgamated business for nine months ended March 31, 2007 and hence are not comparable with the current quarter.

Consolidated Segment-wise Information

Rs crores

Particulars	Unaudited		Unaudited		Audited
	Three months ended	March 31,	Three months ended	March 31,	
	2008	2007	2008	2007	2007
1. Segment Revenue					
a) Products and Related Services					
- Computer Systems & Other Related Products (Gross)	841.45	724.36	2512.36	1940.78	2784.58
Less: Excise Duty	33.28	43.72	108.39	126.20	170.04
- Computer Systems & Other Related Products (Net)	808.17	680.64	2403.97	1814.58	2614.54
- Telecommunication & Office Automation (Net)	2183.75	2226.11	6944.60	6789.98	9049.47
b) Internet & Related Services	10.36	9.89	30.55	29.18	39.87
Total	3002.28	2916.64	9379.12	8633.74	11703.88
Less : Intersegment revenue	18.10	6.20	37.81	12.91	18.58
Net Sales / Income from Operations	2984.18	2910.44	9341.31	8620.83	11685.30
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)					
a) Products and Related Services					
- Computer Systems & Other Related Products	47.38	42.92	160.40	118.01	174.33
- Telecommunication & Office Automation	81.60	69.10	214.54	192.94	267.13
b) Internet & Related Services	-0.91	-1.61	-4.03	-2.35	-1.86
Total	128.07	110.41	370.91	308.60	439.60
Less :					
i) Interest Expense (Net)	10.63	3.24	28.57	6.69	10.50
ii) Other un-allocable expenditure net off	8.75	4.44	22.72	11.25	20.19
iii) un-allocable income	4.79	3.93	14.94	14.45	19.80
Total Profit before Tax	113.48	106.66	334.56	305.11	428.71
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products			969.14	550.55	653.83
- Telecommunication & Office Automation			202.17	123.65	124.82
b) Internet & Related Services			-0.92	2.08	2.41
c) Unallocated					
- Liquid Assets			208.68	179.84	287.51
- Others unallocated (including investment in assets given on finance lease)			39.53	41.65	27.00
Total Capital Employed			1418.60	897.77	1095.57

- During the quarter ended March 31, 2008, 273346 equity shares of Rs 2/- each fully paid up were issued and allotted pursuant to the exercise of stock options under HCL Infosystems Ltd. - Employee Stock Option Schemes.
- Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
- Consolidated results include results of HCL Infonet Ltd.(formerly Microcomp Ltd.) and HCL Security Ltd., the wholly owned subsidiaries of the company. HCL Security Ltd. was incorporated during the quarter and is yet to commence commercial operations.
- The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary HCL Infonet Ltd.(formerly Microcomp Ltd.) operates in the Internet & Related Services segment.
- Two investor complaints were received and resolved during the quarter ended March 31, 2008. 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

AJAI CHOWDHRY
Chairman & Chief Executive Officer

Place : Noida
Date : April 24, 2008