

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended March 31, 2007

Rs crores

Consolidated Segment-wise Information

Rs crores

Particulars	Consolidated					Standalone				
	Unaudited Three months ended March 31,		Unaudited Nine months ended March 31,		Audited Year ended June 30,	Unaudited Three months ended March 31,		Unaudited Nine months ended March 31,		Audited Year ended June 30,
	2007	2006	2007	2006	2006	2007 #	2006	2007	2006	2006
1a Gross Sales / Income from Operations	2954.25	3212.85	8747.12	8305.28	11454.97	7503.74	683.84	8720.16	1728.35	2381.36
1b. Less: Excise Duty	43.81	22.26	126.29	35.07	86.66	43.81	22.26	126.29	35.07	86.66
1. Net Sales / Income from Operations	2910.44	3190.59	8620.83	8270.21	11368.31	7459.93	661.58	8593.87	1693.28	2294.70
2. Total Expenditure										
a) (Increase)/Decrease in Stock in Trade	-1.41	-103.68	-226.87	-186.49	-125.28	-146.09	-55.43	-227.07	-105.30	-59.40
b) Cost of Sales (Net)	2681.95	3075.07	8219.99	7888.53	10714.73	7186.39	610.50	8205.67	1525.96	1978.51
c) Staff Cost	59.38	47.34	164.72	131.34	180.91	85.64	33.81	157.66	92.77	127.22
d) Administration, Selling, Repairs & Others	63.00	64.83	175.06	162.26	220.55	108.17	34.51	168.33	81.63	111.39
3 Depreciation	3.66	2.22	10.65	9.30	12.43	4.75	1.59	8.92	4.93	6.75
4. Operating Profit (1-2-3)	103.86	104.81	277.28	265.27	364.97	221.07	36.60	280.36	93.29	130.23
5. Exchange Fluctuation Gain/(Loss) (Net)	0.44	0.41	12.33	-7.99	-14.44	0.25	0.44	12.33	-6.72	-11.15
6. Other Income	5.60	9.70	22.19	27.28	33.85	12.44	4.72	21.17	15.30	17.01
7. Interest (Net)	3.24	-0.45	6.69	-0.87	-0.88	-1.63	1.29	6.76	2.45	4.57
8. Profit before Tax (4+5+6-7)	106.66	115.37	305.11	285.43	385.26	235.39	40.47	307.10	99.42	131.52
9. Tax Expense										
- Current	15.05	28.51	67.33	70.75	98.53	59.38	3.41	67.33	7.95	11.61
- Deferred	2.97	1.75	4.69	2.01	3.41	1.81	2.15	4.19	3.62	4.73
- Fringe Benefit	0.66	0.67	2.04	2.34	2.96	1.08	0.41	1.95	1.51	1.96
10. Net Profit after Tax (PAT) (8-9)	87.98	84.44	231.05	210.33	280.36	173.12	34.50	233.63	86.34	113.22
11. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	33.81	33.73	33.81	33.73	33.75	33.81	33.73	33.81	33.73	33.75
12. Reserves excluding Revaluation Reserves of the previous accounting year					660.97					374.63
13. EPS (Not annualised) Rs/share										
- Basic	5.21	5.02	13.68	12.54	16.69	10.24	2.05	13.83	5.15	6.74
- Diluted	5.17	4.91	13.58	12.25	16.45	10.17	2.01	13.73	5.03	6.64
14. Aggregate of Non - Promoters Shareholding										
- Number of Shares								76769908	76342382	76293338
- Percentage of Shareholding								45.41	45.27	45.22

Particulars	Unaudited Three months ended March 31,		Unaudited Nine months ended March 31,		Audited Year ended June 30,
	2007	2006	2007	2006	2006
	1. Segment Revenue				
a) Products and Related Services					
- Computer Systems & Other Related Products (Gross)	724.36	683.84	1940.78	1728.35	2381.36
Less: Excise Duty	43.72	22.26	126.20	35.07	86.66
- Computer Systems & Other Related Products (Net)	680.64	661.58	1814.58	1693.28	2294.70
- Telecommunication & Office Automation (Net)	2226.11	2525.23	6789.98	6560.13	9049.81
b) Internet & Related Services	9.89	8.60	29.18	27.90	37.13
Total	2916.64	3195.41	8633.74	8281.32	11381.64
Less : Intersegment revenue	6.20	4.82	12.91	11.11	13.33
Net Sales / Income from Operations	2910.44	3190.59	8620.83	8270.21	11368.31
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)					
a) Products and Related Services					
- Computer Systems & Other Related Products	42.92	38.58	118.01	91.71	125.50
- Telecommunication & Office Automation	69.10	71.53	192.94	181.00	243.96
b) Internet & Related Services	-1.61	1.69	-2.35	2.45	4.47
Total	110.41	111.80	308.60	275.16	373.93
Less :					
i) Interest (Net)	3.24	-0.45	6.69	-0.87	-0.88
ii) Other un-allocable expenditure net of un-allocable income	0.51	-3.12	-3.20	-9.40	-10.45
Total Profit before Tax	106.66	115.37	305.11	285.43	385.26
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products			550.55	365.44	386.69
- Telecommunication & Office Automation			123.65	48.93	-1.23
b) Internet & Related Services			2.08	4.66	4.61
c) Unallocated					
- Liquid Assets			179.84	206.14	353.55
- Others unallocated (including investment in assets given on finance lease)			41.65	106.72	38.70
Total Capital Employed			897.77	731.89	782.32

Notes:

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on April 27, 2007.
- The Board of Directors at the above meeting has declared third interim (quarterly) dividend of Rs 2/- per fully paid up equity share of Rs 2/- each for the Financial Year 2006-07. The "Record Date" for payment of the dividend will be Thursday, May 3, 2007. The aggregate of interim (quarterly) dividends represents 300% for the nine months.
- Two investor complaints were received and resolved during the quarter ended March 31, 2007. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended March 31, 2007, 104110 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 Scheme. 321445 Equity shares have been allotted under stock options during the nine months 2006-07.
- A Scheme of Arrangement sanctioned by Hon'ble High Court of Delhi has come into effect on 31st March, 2007 .
Pursuant to the Scheme :
a. The Networking business of HCL Infinet Ltd., a wholly owned subsidiary, has been demerged and stands transferred to and vested with Microcomp Ltd., a wholly owned subsidiary of HCL Infinet Ltd., from the appointed date of 1st April 2006.
b. HCL Infinet Limited, with the residual Telecommunication and Office Automation business stands amalgamated with the Company from the appointed date of 1st April 2006. Accordingly, HCL Infinet Ltd. stands dissolved without winding up.
c. Microcomp Ltd. has allotted 16,96,810 equity shares of Rs. 100/ each credited as fully paid up to the Company pursuant to the Scheme of Arrangement.
d. On the Scheme becoming effective, Microcomp Ltd. and Stelmac Engineering Pvt. Ltd., the erstwhile subsidiaries of HCL Infinet Ltd., have become wholly owned subsidiaries of the Company.
e. The accounts of the Company on Standalone basis for the quarter and nine months ended March 31, 2007 include the results of Telecommunication and Office Automation business for nine months ended March 31, 2007. Consequently, Revenue and Profit Before Tax are higher by Rs 6779.38 crores & Rs 197.92 crores respectively for both the periods. The previous year's figures of the standalone Company do not include the impact of amalgamation and hence are not comparable. The results of Telecommunication and Office Automation business for the period April 1, 2006 to June 30, 2006 (period pertaining to the previous financial year) will be adjusted to the reserves.
f. The Consolidated accounts for the quarter and nine months ended March 31, 2007 (as in the corresponding previous year periods) include the results of Telecommunication and Office Automation business for the respective periods.
6. The auditors of the Company have carried out a ' Limited Review ' of the standalone unaudited financial results for the quarter ended March 31, 2007 in terms of Clause 41 of the Listing Agreement with Stock Exchanges.
7. Tax expense for the current quarter has been estimated, considering the results of the amalgamated entity w.e.f the appointed date of 1st April 2006, subject to audit and final computation of various tax adjustments. It does not take into account tax issues disputed by the Company.
8. Consolidated results include results of Microcomp Ltd. and Stelmac Engineering Pvt. Ltd., the wholly owned subsidiaries of the company. The results of Stelmac Engineering Pvt Ltd. are not material.
9. The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary Microcomp Ltd. operates in the Internet & Related Services segment.
10. Figures for previous periods have been regrouped and rearranged, wherever necessary, to conform with the relevant current period classification.

By order of the Board
for HCL Infosystems Limited