

HCL INFOSYSTEMS LIMITED
Regd.Off 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
Audited Financial Results for the Year ended June 30, 2007

Rs crores

Particulars	Consolidated						Standalone					
	Unaudited			Audited			Unaudited			Audited		
	Nine months ended March 31, 2007	Three months ended June 30, 2006	Year ended June 30, 2006	Nine months ended March 31, 2007	Three months ended June 30, 2006	Year ended June 30, 2006	Nine months ended March 31, 2007	Three months ended June 30, 2006	Year ended June 30, 2006	Nine months ended March 31, 2007	Three months ended June 30, 2006	Year ended June 30, 2006
1a Gross Sales / Income from Operations	8747.12	3108.31	3149.69	11855.43	11454.97		8720.16	3098.09	653.00	11818.25	2381.36	
1b. Less: Excise Duty	126.29	43.84	51.59	170.13	86.66		126.29	43.84	51.59	170.13	86.66	
1. Net Sales / Income from Operations	8620.83	3064.47	3098.10	11685.30	11368.31		8593.87	3054.25	601.41	11648.12	2294.70	
2. Total Expenditure												
a) (Increase)/Decrease in Stock in Trade	-226.87	-44.37	61.21	-271.24	-125.28		-227.07	-43.92	45.90	-270.99	-59.40	
b) Cost of Sales (Net)	8219.99	2852.36	2826.20	11072.35	10714.73		8205.67	2847.12	452.55	11052.79	1978.51	
c) Staff Cost	164.72	62.45	49.57	227.17	180.91		157.66	60.07	34.45	217.73	127.22	
d) Administration, Selling, Repairs & Others	175.06	78.43	58.29	253.49	220.55		168.33	75.90	29.75	244.23	111.39	
3 Depreciation	10.65	4.15	3.13	14.80	12.43		8.92	3.63	1.82	12.55	6.75	
4. Operating Profit (1-2-3)	277.28	111.45	99.70	388.73	364.97		280.36	111.45	36.94	391.81	130.23	
5. Exchange Fluctuation Gain/(Loss) (Net)	12.33	6.63	-6.45	18.96	-14.44		12.33	6.62	-4.43	18.95	-11.15	
6. Other Income	22.19	9.33	6.57	31.52	33.85		21.17	8.61	1.71	29.78	17.01	
7. Interest (Net)	6.69	3.81	-0.01	10.50	-0.88		6.76	3.79	2.12	10.55	4.57	
8. Profit before Tax (4+5+6-7)	305.11	123.60	99.83	428.71	385.26		307.10	122.89	32.10	429.99	131.52	
9. Tax Expense												
- Current	67.33	38.57	27.78	105.90	98.53		67.33	38.57	3.66	105.90	11.61	
- Deferred	4.69	-1.98	1.40	2.71	3.41		4.19	-1.98	1.11	2.21	4.73	
- Fringe Benefit	2.04	2.11	0.62	4.15	2.96		1.95	2.08	0.45	4.03	1.96	
10. Net Profit after Tax (PAT) (8-9)	231.05	84.90	70.03	315.95	280.36		233.63	84.22	26.88	317.85	113.22	
11. Paid-up Equity Share Capital	33.81	33.83	33.75	33.83	33.75		33.81	33.83	33.75	33.83	33.75	
(Face value per share in Rs. 2/-)												
12. Reserves excluding Revaluation Reserves				822.93	660.97					808.46	374.63	
13. EPS (Not annualised) Rs/share												
- Basic	13.68	5.02	4.15	18.70	16.69		13.83	4.98	1.59	18.82	6.74	
- Diluted	13.58	4.97	4.10	18.57	16.45		13.73	4.93	1.57	18.68	6.64	
14. Aggregate of Non - Promoters Shareholding												
- Number of Shares							76769908			76952786	76293338	
- Percentage of Shareholding							45.41			45.49	45.22	

Notes:

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on August 23, 2007.
- The Board of Directors at the above meeting has recommended a final dividend of Rs 2/- per fully paid up equity share of Rs 2/- each for Financial Year 2006-07. This is subject to the approval of the members of the Company at the ensuing Annual General Meeting. The aggregate of interim (quarterly) dividends paid and final dividend recommended represents 400% for the Financial Year 2006-07.
- Four investor complaints were received and resolved during the quarter ended June 30, 2007. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended June 30, 2007, 101950 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. 423395 Equity shares have been allotted under stock options during the Financial Year 2006-07.
- A Scheme of Arrangement sanctioned by Hon'ble High Court of Delhi came into effect on March 31, 2007 from the appointed date of April 1, 2006. Pursuant to the Scheme :
 - The Networking business of HCL Infinet Ltd., a wholly owned subsidiary, was demerged and stands transferred to and vested with Microcomp Ltd., a wholly owned subsidiary of HCL Infinet Ltd.
 - HCL Infinet Limited, with the residual Telecommunication and Office Automation business was amalgamated with the Company. Accordingly, HCL Infinet Ltd. was dissolved without winding up.
 - Microcomp Ltd. has been renamed as HCL Infinet Ltd. w.e.f April 27, 2007
 - HCL Infinet Ltd. (formerly known as Microcomp Ltd.) allotted 16,96,810 equity shares of Rs. 100/ each credited as fully paid up to the Company pursuant to the Scheme of Arrangement.
 - On the Scheme becoming effective, HCL Infinet Ltd. (formerly known as Microcomp Ltd.) and Stelmec Engineering Pvt. Ltd. the wholly owned subsidiaries of erstwhile HCL Infinet Ltd., have become wholly owned subsidiaries of the Company.
 - The accounts of the Company on Standalone basis for the quarter and Financial year ended June 30, 2007 include the results of Telecommunication and Office Automation business. Consequently, Revenue and Profit Before Tax for the quarter are higher by Rs 2254.29 crores & Rs 70.92 crores respectively and for the year are higher by Rs 9033.67 crores & Rs 268.83 crores respectively. 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) have been adjusted to the Profit & Loss a/c forming part of reserves.
 - Tax Expense (Current) has been computed by applying the provisions of Income Tax Act, 1961 to the profits of the financial year ended June 30, 2007, although the actual tax liability has to be computed with reference to the taxable profit for each fiscal year ended March 31. It does not take into account any tax issues disputed by the Company. Tax Expense of the Standalone Company has been computed considering the results of the amalgamation.
 - Consolidated results include results of HCL Infinet Ltd (formerly known as Microcomp Ltd.) and Stelmec Engineering Pvt. Ltd. the wholly owned subsidiaries of the company. The results of Stelmec Engineering Pvt. Ltd are not material.
 - A Scheme of Amalgamation for merging the wholly owned subsidiary, Stelmec Engineering Private Ltd. with the Company w.e.f. April 1, 2007, the appointed date, has been filed with the Hon'ble High Court of Delhi. The Hon'ble High Court has directed for convening of the meeting of the secured and unsecured creditors of the Company on September 22, 2007 to approve the scheme.
 - The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary HCL Infinet Ltd. (formerly known as Microcomp Ltd.) operates in the Internet & Related Services segment.
 - 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

Place : Noida
Date : August 23, 2007

AJAI CHOWDHRY
Chairman & Chief Executive Officer

Rs crores

Particulars	Consolidated Segment-wise Information			
	Unaudited		Audited	
	Three months ended June 30, 2007	2006	Year ended June 30, 2007	2006
1. Segment Revenue				
a) Products and Related Services				
- Computer Systems & Other Related Products (Gross)	843.80	653.00	2784.58	2381.36
Less: Excise Duty	43.84	51.59	170.04	86.66
- Computer Systems & Other Related Products (Net)	799.96	601.41	2614.54	2294.70
- Telecommunication & Office Automation (Net)	2259.49	2489.68	9049.47	9049.81
b) Internet & Related Services	10.69	9.23	39.87	37.13
Total	3070.14	3100.32	11703.88	11381.64
Less : Intersegment revenue	5.67	2.22	18.58	13.33
Net Sales / Income from Operations	3064.47	3098.10	11685.30	11368.31
2. Segment Results (Profit+) / Loss(-) before Tax and Interest from each segment				
a) Products and Related Services				
- Computer Systems & Other Related Products	56.32	33.79	174.33	125.50
- Telecommunication & Office Automation	74.19	62.96	267.13	243.96
b) Internet & Related Services	0.49	2.02	-1.86	4.47
Total	131.00	98.77	439.60	373.93
Less :				
i) Interest (Net)	3.81	-0.01	10.50	-0.88
ii) Other un-allocable expenditure net of un-allocable income	3.59	-1.05	0.39	-10.45
Total Profit before Tax	123.60	99.83	428.71	385.26
3. Capital Employed (Segment Assets - Segment Liabilities)				
a) Products and Related Services				
- Computer Systems & Other Related Products			653.83	386.69
- Telecommunication & Office Automation			124.82	-1.23
b) Internet & Related Services			2.41	4.61
c) Unallocated				
- Liquid Assets			287.51	353.55
- Others unallocated (including investment in assets given on finance lease)			27.00	38.70
Total Capital Employed			1095.57	782.32