HCL Infosystems Ltd

Fourth Quarter and Annual Results FY 08

Investor Release, September 2, 2008

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CHAIRMAN'S ADDRESS

Commenting on the results, **Mr. Ajai Chowdhry, Chairman & CEO, HCL Infosystems Limited** said, "Innovation has always been a key strategy for HCL and this year a number of technology solutions have been launched to meet the needs of our customers. The year saw good momentum being added to our System Integration business. HCL capitalized, added service verticals and bagged orders in a number of diversified solutions and service offering areas. Our quest to making technology more relevant and affordable for each individual has always been a key focus area for us."

Adding further Mr. Chowdhry said "Going forward, we see the momentum in our SI business to continue. Our new service verticals will be adding more strength to our growth strategy with a continuous focus on our core business. We intend to continue building distinctive positions in each vertical and horizontal service areas that HCL is addressing."

FINANCIAL HIGHLIGHTS

ANNUAL HIGHLIGHTS
➢ **Consolidated**
  - ❖ Revenue at **Rs. 12605 crores**. Services business grew by **35**% from Rs.360 crores to Rs.485 crores.
  - ❖ Profit before tax at **Rs. 430 crores**.
  - ❖ Profit after tax at **Rs. 300 crores**.
  - ❖ EPS at **Rs. 17.6 per share**.
➢ **Computer Systems**
  - ❖ Revenue at **Rs. 3389 crores**, up **22%** Y-o-Y. PBIT at **Rs. 200 crores**, up **14%** Y-o-Y.
➢ **Telecommunication & Office Automation**
  - ❖ Revenue at **Rs. 9223** crores. PBIT at **Rs. 285** crores.

QUARTERLY HIGHLIGHTS
➢ **Consolidated**
  - ❖ Revenue at **Rs. 3155 crores**.
  - ❖ Profit before tax at **Rs. 96 crores**. Profit after tax at **Rs. 65 crores**.
➢ **Computer Systems**
  - ❖ Revenue at **Rs. 877 crores**. PBIT at **Rs. 39 crores**.
➢ **Telecommunication & Office Automation**
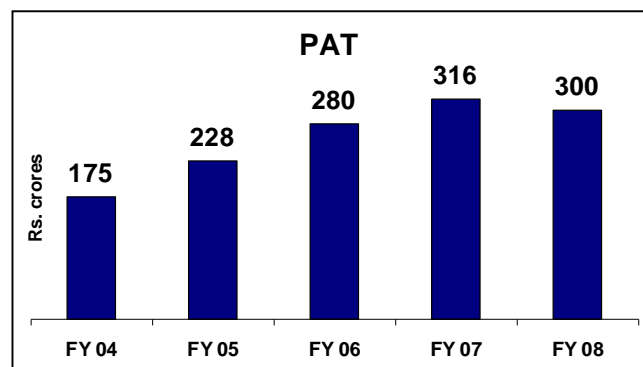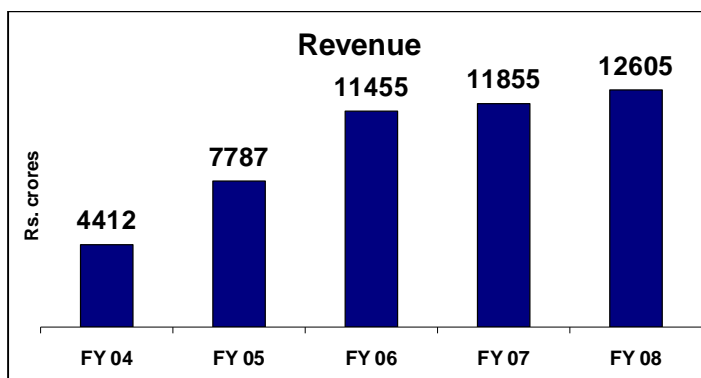 - ❖ Revenue at **Rs. 2278** crores. PBIT at **Rs. 71** crores.

Final dividend of Rs 2/- per share (100 % on an equity share of par value of Rs. 2/- each), taking total dividend declared during the year 2007-08 to 400%.

13th consecutive 100% Dividend Declared.

BUSINESS HIGHLIGHTS

❖ Momentum in System Integration continues. SI a growth area for HCL. The company bagged Rs.1200 crores worth of orders, in the last five months

❖ Bagged a five year contract from a stock exchange to create a VPN network for connecting over 3000 brokers from HCL Data Centers in 5 cities.

❖ **eGov SI:** Announced prestigious Pan-African e-Network Project to build IT infrastructure across 53 African countries in Tele-Medicine and Tele-Education.

❖ **BFSI SI:** HCL has been selected as the System Integrator for implementing the Core Insurance solution including application, Infrastructure & services for a leading MNC insurance company.

❖ **Retail SI:** Won an infrastructure outsourcing agreement with a leading financial services and real estate development company.

❖ **Power SI:** HCL tied up with Echelon Corporation, to bring in Networked Energy Services (NES) and advanced metering systems that offer solutions for improving distribution efficiencies and reducing energy theft.

❖ **Services:** Bagged two major orders for Managed Network Services from leading players in the airline and construction space also from companies in infrastructure, retail, IT services, energy and entertainment.

❖ Retained market leadership position in Digital multifunction products and Multimedia projectors.

❖ **DigiLife Stores:** 73 stores operational across 54 cities in the country.

FINANCIAL SNAPSHOT

Revenue (Rs. crores)

FY 04	FY 05	FY 06	FY 07	FY 08
4412	7787	11455	11855	12605

PAT (Rs. crores)

FY 04	FY 05	FY 06	FY 07	FY 08
175	228	280	316	300

CONSOLIDATED RESULTS

The company has reported consolidated revenue of **Rs. 3155 crores** during the quarter ended June 30, 2008 taking the consolidated revenues for the year to **Rs. 12605 crores**.

3108	3127	3305	3017	3155
AMJ 07	JAS 07	OND 07	JFM 08	AMJ 08

(Y-axis: Rs. crores)
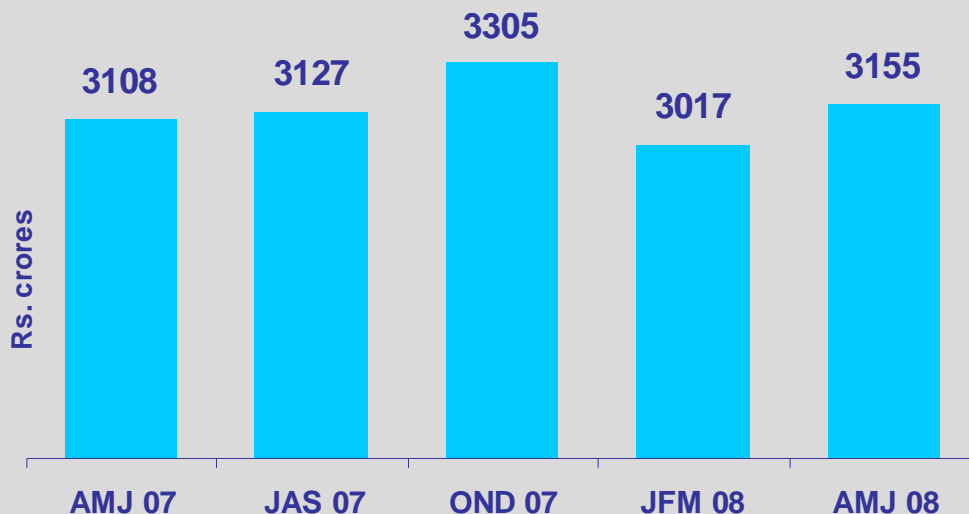
Profit before tax was reported at **Rs 96 crores** during the quarter ended June 30, 2008 taking consolidated PBT for the year to **Rs. 430 crores**.

Profit after tax was reported at **Rs. 65 crores** during the quarter ended June 30, 2008 taking consolidated PAT for the year to **Rs. 300 crores**.

Earnings per share:

Basic EPS for the quarter ended June 30, 2008 was Rs. **3.8** per share of Rs. 2/- each.

Basic EPS for the year ended June 30, 2008 was Rs. **17.6** per share of Rs. 2/- each.

Dividend:

The Board of Directors has recommended Final dividend of Rs. **2/-** per fully paid up share (**100%** on an equity share of par value of Rs 2/- each), taking the total Dividend declared for the year to **400%**.

SEGMENT RESULTS

COMPUTER SYSTEMS & OTHER RELATED PRODUCTS

Revenue from Computer Systems business during the quarter was **Rs. 877 crores** taking the revenue for the year to **Rs. 3389 crores**, a growth of **22%.**
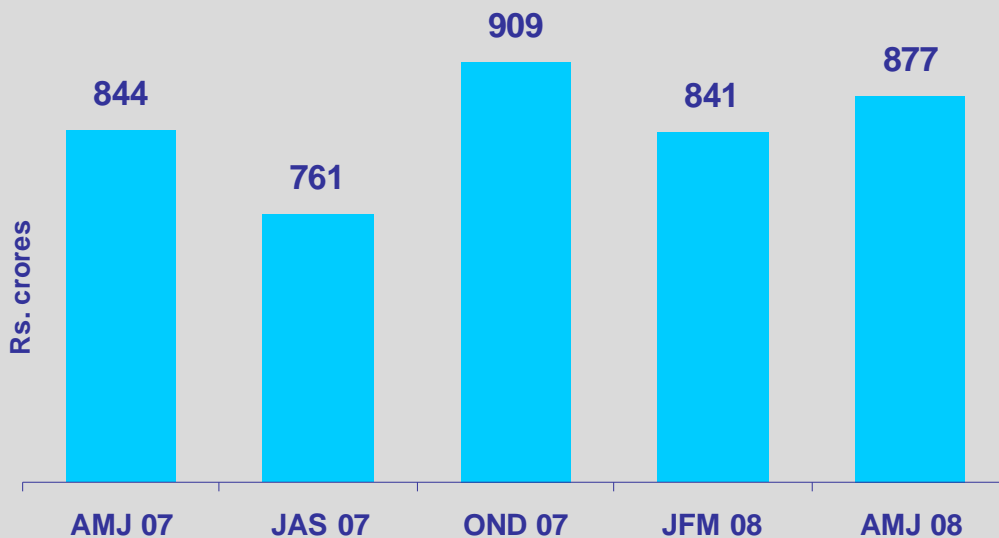
Profit before interest & taxes (PBIT) for the quarter was **Rs. 39 crores**, taking the PBIT for the year to **Rs. 200 crores**, a growth of **14%**.

SYSTEM INTEGRATION

New System Integration verticals

As part of the HCL's strategy of offering a single window to the enterprise customers for all their ICT infrastructure and solution needs, HCL's System Integration and services initiatives expanded to new verticals in the last financial year. HCL has won orders in E-Governance, Railways, Power, Telecom, BFSI, Airports/Ports, Defence*, Security*, Health, Education*, Retail and Media & Entertainment. (*New Verticals)

New Initiatives

HCL achieved a landmark this year as it forayed into the ICT exports market. HCL appointed distributors for its IT products business in the African continent and the Middle East. HCL's foray into Africa was marked by the prestigious **Pan-African e-Network Project** to build IT infrastructure across **53 African countries** in Tele-Medicine and Tele-Education. The project is a Government of India initiative to share Indian expertise in Education and Medicine connecting 53 African Nations. This e-Network will enable Tele-Education, Tele-Medicine, Video-conferencing and VoIP services; connecting 7 Indian universities & 12 super speciality hospitals to 5 African regional universities, 5 super speciality hospitals and 53 learning centers across Africa.

SEGMENT RESULTS

COMPUTER SYSTEMS & OTHER RELATED PRODUCTS

Maturing practices in Telecom vertical

In the telecom sector, HCL bagged orders from service providers and telecom NEP's. HCL is providing end to end ICT infrastructure support to the sector by setting up IT, Networking infrastructure & Applications in the OSS & BSS space. The latest offering in the space is solutions for 3G & WiMax technology.

Strengthening BFSI System Integration portfolio

In Banking, Finance, Securities and Insurance, HCL has been selected as the System Integrator for implementing the Core Insurance solution including application, infrastructure & services for a leading MNC insurance company.

HCL also bagged orders from for development & deployment of the "MIS framework" from a leading bank in India.

The quarter saw the successful commissioning of HCL's Image based Cheque Truncation solution for four major banks as part of RBI's National Capital region roll out project. HCL also won orders in several areas, including setting up MICR center, RFID based loan application processing solution, Treasury solutions, Branch roll out, MIS, Cash Management solutions from various banks and financial institutions across the country.

The year saw HCL winning orders for rolling out Financial Inclusion pilots from a leading Nationalised Bank of the country.

Good governance through eGovernance

HCL has strong solutions for eGovernance including for E-procurement, e Governance-Office & E-District, Smart Card Solutions, Document Management System, Datacenter Solutions, and SWAN Projects pan India.

Among the System Integration contracts won were **"PAWAN"** from the Punjab Government for setting up a statewide area network, and orders for automation of a Municipal Corporation.

HCL strengthens Power SI vertical through new partnerships

Expanding its portfolio of solution offerings in the Power vertical, HCL has tied up with US Company Echelon Corporation, to bring Networked Energy Services (NES) and advanced metering systems that offer solutions to improve distribution efficiencies and reduce energy theft.

HCL won the order for an energy audit project of a state owned power distribution utility.

Other key power solutions from HCL include Subdivision Automation, Demand and Supply Side Management, SCADA, Smart Metering, Rural Electrification, Energy Auditing & ERP.

SEGMENT RESULTS

COMPUTER SYSTEMS & OTHER RELATED PRODUCTS

Infrastructure and Others

Other major wins in the System Integration space included the order for rollout of e-Procurement framework for the Indian Railways, Supply of Automatic Ticket Vending machines and other specialized solutions. The Infrastructure system integration vertical saw wins for designing, supply and implementation of Security & command and control centers from two of the major airports of the country.

Retail SI vertical

HCL bagged an infrastructure outsourcing contract from one of the leading financial services and real estate development company, for their retail venture to provide pan India ICT Infrastructure. This system-integrated ICT platform would address and meet the total computing, networking, office automation and 24X7 IT support service needs of the retail stores across India for six years.

Growth in HCL's Media & Entertainment

In the year 2007-08, HCL's Media & Entertainment System Integration vertical witnessed a healthy growth over the previous year. There was a significant change in the nature of orders to solutions that encompass the entire flow of broadcasting. HCL won a project for Media Asset Management from a leading television channel. The company also won orders from the private sector & education bodies to set up TV channel broadcast and Studio infrastructure.

HCL strengthened its partnerships in Media and Entertainment technology space to offer a wide range of solutions.

COMPUTING PRODUCTS & SOLUTIONS

Over the years, HCL's success reflects its quest to create unique products with the latest technological innovations; HCL continues to keep its promise & heritage of always being the first to introduce the latest in technology for Indian markets.

The quarter saw major wins from leading PSU Banks. During the year HCL won orders from a wide array of clients across sectors, for supply and deployment of IT infrastructure. HCL's new Branch automation solution offering saw the company winning orders from large nationalised banks, Pvt Insurance sector and PSUs.

HCL also bagged orders from education vertical for supply of computers, WiFi Networking, kiosks and servers.

Targeted towards **design and animation professionals** in the field of digital content creation & computer aided design, HCL announced the launch of its **Professional Workstation 2008 Series**.

SEGMENT RESULTS

COMPUTER SYSTEMS & OTHER RELATED PRODUCTS

Addressing the demand from SME's for simplified and functional IT solutions, HCL announced the launch of its next-generation **'HCL Datacenter in a Box'**. This innovative enterprise product offers a complete IT Infrastructure solution stack with its power-packed features. The solution is not only easy to deploy, maintain and upgrade but is also very cost effective and delivers exceptional value. In a world wide competition held by Intel, HCL won an innovation award for servers for 'Core Banking in a box'.

The year saw **HCL introducing** several **new models of desktops and notebooks**; the company laid special emphasis on the designing along with other innovations in the HCL Leaptops. HCL introduced India's first notebook with Prism engraved design, another with special piano finish to make these notebooks more appealing, user friendly and also a style statement for different user groups.

HCL **created a new product category** in the Indian market with the launch of the **MiLeap series**. India's first full functional, ultra-portable range of notebooks- the **'HCL MiLeap'** that offer true mobile internet computing experience at a price point starting from Rs.13,990/-.

HCL also introduced products based on the new Intel Atom technology on the day of the worldwide launch. A new desktop PC 'Neutron' that occupies 85% less space and consumes 76% less energy and the `Proton`, a new variant in the MiLeap series with 10"screen size.

Incentives extended to channel partners and retailers

HCL has recently announced **HCL Premier League Retailer Program** under which retailers categorized under Platinum, Gold, Silver and Falcon, based on pre-defined parameters, would be entitled for special benefits and incentives on sale of HCL leaptops. HCL has always boosted the efforts of its channel partners through various programs & initiatives.

HCL also **tied up with leading broadband players** of the country and offered free internet connection to desktop buyers across the country. HCL also **introduced special offers** for customers on the purchase of HCL leaptops.

SERVICES

Healthy growth in HCL managed services

HCL **bagged a five year contract** from a stock exchange to create a **VPN network** for connecting over 3000 brokers from HCL Data Centers in 5 cities. HCL will also provide remote infrastructure management services and its products.

This has been a healthy year for HCL managed services. HCL bagged two major orders for Managed Network Services for leading players in the airline and construction space also from companies in Infrastructure, Retail, IT services, Energy and Entertainment. In the networking space, HCL achieved 99.9% uptime with over 1200 new links commissioned this year. HCL also implemented the first Managed Services order for a leading apparel manufacturer from South of India and installed the first VM Ware based Aspect dialer solution for its BPO wing in Noida.

HCL conducted over 200 customer meets across the country as part of its reaching out to customer programme.

HCL Data Centre has been **awarded ISO 270001: 2005 certification** for IOBAS (Inter Operator Billing & Accounting System) Project for a leading telecom service provider.

SEGMENT RESULTS

TELECOMMUNICATION & OFFICE AUTOMATION

Revenue from Telecommunication & Office Automation business during the quarter was **Rs. 2278 crores**, taking the revenue for the year to **Rs. 9223 crores.**

Rs. crores

2259	2366	2395	2184	2278
AMJ 07	JAS 07	OND 07	JFM 08	AMJ 08
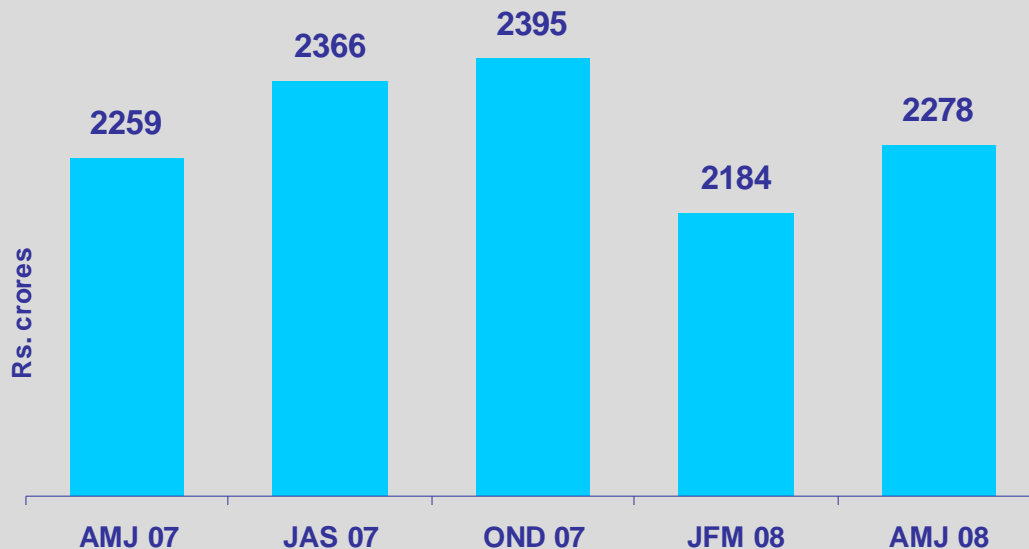
PBIT for the quarter was **Rs. 71 crores**, taking the PBIT for the year to **Rs. 285 crores**.

HCL has further consolidated its position in the distribution of Nokia Cellular Phones & Digital Lifestyle products. HCL has received the **Excellence award**, as the winner of **'Nokia Formula for Success'** contest in November 2007.

India will be entering a second phase of growth with the mobile market beginning to reach into rural India. The mobile market has already grown to be the second largest in the world in terms of subscribers after China.

To quote from the book 'GAME CHANGER' by Lafley and Charan, "Nokia recognized that getting mobile phones into the hands of India's vast population would be major challenge…**Nokia turned to HCL…to help it crack the distribution nut**. HCL shared Nokia's vision for affordability and distribution.

With the impending launch of 3G & WiMAX services and with many new operators coming up, the growth of the industry is set to get a major fillip. 3G licensing is expected in 2008 and there could be as many as 5mn 3G subscribers by the end of 2008, with this figure set to grow to 71.5mn by the end of 2012, which would mean 11.5% of all mobile subscribers connected to 3G networks. Another significant growth area in India's telecom market is the use of WiMAX and it is estimated by that there could be as many as 12mn users by the end of 2012.

SEGMENT RESULTS

TELECOMMUNICATION & OFFICE AUTOMATION

HCL also registered revenue growth in Apple iPods and Kodak range of products. The Kodak business has been growing steadily since Aug, 2007. The market share has gone up from 16% in OND'07 to 21% in JFM'08 as per IDC.

HCL now controls dominating share of the Indian iPod market and is growing steadily with various initiatives and Tier 2 town development. The company was awarded the best iPod distribution partner for Apple for the 2nd year in succession. HCL was awarded the best APAC distributor 'King Class Partner' award by Kingston.

In **Imaging, Voice & Video business** HCL received large orders for Toshiba Multi functions devices and Duplo Duplicators from the Government of India. Major wins have come from diverse sectors including Infrastructure sector, Telecom players, Railways and Defence.

The company has **retained** its **market leadership position in Digital multifunction products and Multimedia projectors**. The company has consolidated its presence in color and high end MFD's. The robust growth in the production printing sector has helped the company to progressively promote "Print Services" as a solution to various enterprises. The company is focusing on growing transactional and security printing areas and has taken steps to address the color graphics segment.

In the **Audio Visual System Integration segment**, HCL has significantly contributed to government education initiatives and also won several orders from MNC clients. The company is focusing on creating solutions in allied areas like e-classroom and high end digital signage solutions. The year saw HCL also winning a number of AVSI solutions orders from MNC bank, Public sector utilities and hotels.

DIGITAL LIFESTYLE

The digital lifestyle market is a rapidly growing sector and HCL's strategy has been to focus on providing a range of Digital Lifestyle products to customers. Offering a range of products in a unique display and interactive format, the HCL DigiLife stores offer consumers a complete digital experience. HCL has **73 DigiLife stores operational with a footprint across 54 cities in the country**.

Today the HCL DigiLife stores is one of the most awarded retail brands offering a comprehensive range of world-class products. HCL has been rewarded with the Best Retail Chain industry award both in Retail and IT.

HCL DigiLife has also tied up with a leading DVD rental service to promote and offer discounts on membership and registration for customers who would love to enjoy movies of their choice in the comfort of their drawing rooms.

EDUCATION & TRAINING

HCL's initiatives in education have resulted in further growth over the last quarter. HCL **CDC** is now **certified ISO 9001:2000** for its processes and has **67 CDC centers across the country out of which 56 are franchise centers and 11 are company owned**. The number of CDC's is expected to be taken to **100 by the end of this year**.

As an initiative to improve and inspire the lives of today's youth by providing ICT education, HCL will provide free **education to students from weaker section of the society** at one of its Career Development Centre in New Delhi. The HCL Career Development Centre will provide underprivileged students with course material, practical classes and hands on training, communications skills, pre-placement, placement activities and guest lectures.

ENVIRONMENT INITIATIVES

HCL has always been focused in developing a sustainable future through environment friendly green computing. This led to introduction of Green desktops, equipped with the unique DES technology, that cuts overall power consumption by 20-35%. HCL amalgamated its various environment protection initiatives under the comprehensive 'HCL ecoSafe' program. Under the 'HCL ecoSafe' initiative, HCL Desktops, Servers and Laptops are RoHS (Restriction of Hazardous Substances) compliant.

HCL also has a comprehensive e-waste recycling policy, wherein HCL facilitates its consumers to recycle / dispose their 'end of life' products manufactured by HCL, in an environmentally safe manner. In addition, the HCL Best Assured Campaign, an initiative against the counterfeit and second hand electronic products industry helps prevent e-waste dumping in India.

In this process, HCL becomes the first IT company in India to have ISO 14001 Compliance, the first company in India to have a comprehensive policy for WEEE recovery & recycling & the first company in India to launch a complete range of RoHS compliant range of PC & laptops.

AWARDS & RECOGNITIONS

- Mr. Ajai Chowdhry, founder chairman & CEO, HCL Infosystems Limited and a pioneer of the Indian IT Industry was **awarded the 'Dataquest IT Man of the Year' for the year 2007**. Mr. Chowdhry was also honored with **'CEO of the year' award** by IT People Awards for excellence in IT.
- HCL won global award in **"Innovation Excellence on Intel Architecture"** from **Intel Corporation**.
- HCL received a number of accolades from the retail industry - **Images Retail Forum 2007- Most Admired Retailer, Var India 2007 – No.1 Retail Company, Franchise India 2007 – Best in Specialty Retailing, Asia Retail Congress - 2008 Retailer of Year –Consumer Durable, FAI & Franchisee Plus 2008- Supportive Franchisor and FAI & Franchisee Plus 2008- Franchisee Innovativeness.**
- HCL also won awards in **'Environment Management' and 'Quality'** categories at the Elcina-Dun & Bradstreet Awards for Excellence in Electronics, 2006-07.
- The company was also felicitated by its partners as it won **'Toshiba Color Copier Champion Award 2007'** for improving overall customer approach and better technical capability. HCL also won **"No.1 award in sales and marketing"** from Toshiba Corporation for seventh consecutive year in a row.
- HCL received three Channels Choice 2007 awards for Relationship Management, After Sales Support & Commercial Terms from DQ Channels, based on an IDC channel satisfaction survey. HCL Infosystems won Brand-of-Excellence Award at VARIndia Forum 2007.
- HCL bagged IMM **'Top Organization Award 2007'** for Excellence at 34th World Marketing Congress.
- HCL also won **India's Most Preferred Personal Computer Brand** by CNBC AWAAZ Consumer Awards 2007 and was also awarded **'Amity Corporate Excellence Award 2007'** for its distinct vision, innovation, competitiveness and sustenance.

EMPLOYEE MATRIX

The **employee strength** has increased from 5082 in 2007 to **5753 in 2008**. HR initiatives have been aligned to support the transformation and growth of the business through strong and innovative People Practices, Policies, Systems and Processes, that empower and engage people.

Strengthening its training and development program with a unique leadership development program called 'iLEAD'; this program is aimed with an objective of developing future managers and leaders.

Employee engagement continues to be a key focus area with many initiatives organized during this quarter towards 'Celebrating Diversity' & encouraging appreciation for individual strengths. In response to modern day lifestyle changes, various programmes have been adopted to improve the wellbeing & fitness levels of employees and their family members. Employee involvement and participation in corporate social responsibility areas like environment have been further enhanced during this quarter through activities and awareness drives.

The Internal Employee Engagement survey results have indicated an unprecedented high employee engagement level for an outstanding response rate of 73.26% of employees. HCLites have been found to be most content with their relationship with people, peers and their managers. Focus areas identified as per Survey 2004 - Advancement opportunities, Day to Day Work, Total Compensation and Quality of Work Life have each seen a positive increase in scores.

CONSOLIDATED PROFITABILITY

Rs crores

CONSOLIDATED PROFIT & LOSS ACCOUNT	Audited	Unaudited		Audited	
	9M FY08	Q4 FY 08	Q4 FY 07	FY 08	FY 07
1a Gross Sales / Income from Operations	9449.8	3155.5	3108.3	12605.3	11855.4
1b. Less: Excise Duty	117.3	40.7	46.9	158.0	183.6
1. Net Sales / Income from Operations	9332.5	3114.8	3061.5	12447.3	11671.9
2. Other Income	36.9	5.2	15.9	42.1	49.9
3. Total Income (1+2)	9369.4	3120.0	3077.3	12489.4	11721.8
4. Expenditure					
a) (Increase)/Decrease in Stock in Trade and Work in Progress	-129.4	39.6	-44.4	-89.8	-271.2
b) Consumption of Raw Materials	1365.1	388.8	401.3	1753.8	1313.0
c) Purchase of Traded Goods	7104.7	2342.5	2370.7	9447.3	9503.5
d) Purchase of Services (Net)	80.7	33.6	35.3	114.3	84.8
e) Stores & Spares consumed and Others	119.3	48.6	44.5	167.9	166.4
f) Employees Cost	223.3	77.9	62.5	301.2	227.2
g) Administration, Selling, Repairs & Others	228.9	77.4	75.9	306.2	244.2
h) Depreciation	13.7	4.9	4.2	18.6	14.8
Total Expenditure	9006.2	3013.3	2949.9	12019.5	11282.6
5. Interest Expense (Net)	28.6	11.2	3.8	39.7	10.5
6. Profit (+)/ Loss (-) from ordinary activities before Tax (3-4-5)	334.6	95.6	123.6	430.1	428.7
7. Tax Expense					
- Current	98.2	33.3	38.6	131.5	105.9
- Deferred	-1.5	-4.2	-2.0	-5.6	2.7
- Fringe Benefit	2.8	1.3	2.1	4.1	4.2
8. Profit (+)/ Loss (-) from ordinary activities after Tax (6-7)	235.0	65.1	84.9	300.1	316.0
9. Extraordinary items (net of tax expense Rs Nil)	-	-	-	-	-
10. Net Profit(+) / Loss (-) for the period (8-9)	235.0	65.1	84.9	300.1	316.0
11 Basic EPS (Not annualised) Rs/share	13.8	3.8	5.0	17.6	18.7
Other Income includes Exchange Fluctuation Gain/(Loss) (Net)	8.7	-7.1	6.6	1.7	19.0

KEY RATIOS

Key Ratios	FY 08	FY 07
Return on Capital Employed %	34%	40%
Return on Net Worth %	30%	37%
Debt / Debt+Equity	0.26	0.22
Debtors Collection period (days) {annualised}	36	31
Inventory turnover (annualised)	14	15
Current ratio	1.6	1.5

CONSOLIDATED SEGMENT

				Rs crores	
	Particulars	**Unaudited**		**Audited**	
		Q4 FY 08	**Q4 FY 07**	**FY 08**	**FY 07**
1.	**Segment Revenue**				
a)	Products and Related Services				
	- Computer Systems & Other Related Products (Gross)	**876.6**	843.8	**3388.9**	2784.6
	Less: Excise Duty	**40.7**	46.9	**157.8**	183.5
	- Computer Systems & Other Related Products (Net)	**835.9**	796.9	**3231.1**	2601.1
	- Telecommunication & Office Automation (Net)	**2278.2**	2259.5	**9222.8**	9049.5
b)	Internet & Related Services	**10.1**	10.7	**40.6**	39.9
	Total	**3124.2**	3067.1	**12494.5**	11690.4
	Less: Intersegment revenue	**9.4**	5.7	**47.2**	18.6
	Net Sales / Income from Operations	**3114.8**	**3061.5**	**12447.3**	**11671.9**
2.	**Segment Results (Profit (+) / Loss (-) before Tax and Interest from each segment)**				
a)	Products and Related Services				
	- Computer Systems & Other Related Products	**39.1**	56.3	**199.5**	174.3
	- Telecommunication & Office Automation	**70.9**	74.2	**285.4**	267.1
b)	Internet & Related Services	**(0.1)**	0.5	**(4.1)**	(1.9)
	Total	**110.0**	131.0	**480.9**	439.6
	Less:				
	i) Interest Expense (Net)	**11.2**	3.8	**39.7**	10.5
	ii) Other un-allocable expenditure net off	**7.8**	8.9	**30.5**	20.2
	iii) Un-allocable income	**4.6**	5.3	**19.5**	19.8
	Total Profit before Tax	**95.6**	**123.6**	**430.1**	**428.7**
3.	**Capital Employed (Segment Assets - Segment Liabilities)**				
a)	Products and Related Services				
	- Computer Systems & Other Related Products			**953.4**	653.8
	- Telecommunication & Office Automation			**177.8**	124.8
b)	Internet & Related Services			**(2.3)**	2.4
c)	Unallocated				
	- Liquid Assets			**216.4**	287.5
	- Others Unallocated (including investment in assets given on finance lease)			**25.4**	27.0
	Total			**1370.7**	**1095.6**

CONSOLIDATED BALANCE SHEET

Rs crores

Particulars	Audited 30.6.08	Unaudited 31.03. 08	Audited 30.6.07
Net Worth	1016.2	990.0	859.7
Loans	354.5	428.6	235.9
Deferred Tax Liability (Net)	6.7	11.0	12.5
Net Fixed Assets	169.8	162.1	151.2
Investments and Cash & Bank Balances	534.8	569.7	469.2
Inventory	898.5	957.3	791.9
Sundry Debtors	1248.1	1192.0	1005.2
Other Current Assets	238.7	248.5	165.8
Current Liabilities & Provisions	(1712.5)	(1700.0)	(1475.3)
Total Capital Employed	1377.4	1429.6	1108.0

ABOUT HCL INFOSYSTEMS

HCL Infosystems Ltd, with annual revenue of US $ 3.1 billion (Rs. 12,605 crores) is India's premier information enabling and ICT System Integration company offering a wide spectrum of ICT products that includes Computing, Storage, Networking, Security, Telecom, Imaging and Retail. HCL is a one-stop-shop for all the ICT requirements of an organization.

India's leading System Integration and Infrastructure Management Services Organization, HCL has specialized expertise across verticals including Telecom, BFSI, E-Governance & Power.

HCL has India's largest distribution and retail network, taking to market a range of Digital Lifestyle products in partnership with leading global ICT brands, including Apple, Cisco, Ericsson, Kingston, Kodak, Konica Minolta, Microsoft, Nokia, Toshiba, and many more.

HCL today has India's largest vertically integrated computer manufacturing facility with over three decades of electronic manufacturing experience HCL desktops is the largest selling brand into the enterprise space.

With India's largest ICT services network that reaches to every corner of India, HCL's award winning Support Services makes it the preferred choice of enterprise and consumers alike.

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