

HCL INFOSYSTEMS LIMITED

Regd.Off 806, Siddharth, 96 Nehru Place, New Delhi 110 019.
Audited Financial Results for the Year ended June 30, 2006

Rs crores

Particulars	Consolidated					Standalone				
	Unaudited			Audited		Unaudited			Audited	
	Nine months ended March 31 2006	Three months ended June 30, 2006	2005	Year ended June 30, 2006	2005	Nine months ended March 31 2006	Three months ended June 30, 2006	2005	Year ended June 30, 2006	2005
1a Gross Sales / Income from Operations	8305.28	3149.69	2198.54	11454.97	7787.17	1728.36	653.00	534.55	2381.36	1970.94
1b. Less: Excise Duty	35.07	51.59	5.67	86.66	39.28	35.07	51.59	5.67	86.66	39.28
1. Net Sales / Income from Operations	8270.21	3098.10	2192.87	11368.31	7747.89	1693.29	601.41	528.88	2294.70	1931.66
2. Total Expenditure										
a) (Increase)/Decrease in Stock in Trade	-186.49	61.21	67.11	-125.28	-47.20	-105.30	45.90	39.11	-59.40	-6.52
b) Cost of Sales (Net)	7888.53	2826.20	1956.30	10714.73	7189.78	1525.96	452.55	399.20	1978.51	1604.69
c) Staff Cost	131.34	49.57	43.84	180.91	148.82	92.77	34.45	30.62	127.22	104.49
d) Administration, Selling, Repairs & Others	162.26	58.29	58.34	220.55	188.85	81.64	29.75	30.55	111.39	104.92
3 Depreciation	9.30	3.13	4.28	12.43	15.24	4.93	1.82	1.69	6.75	6.50
4. Operating Profit (1-2-3)	265.27	99.70	63.00	364.97	252.40	93.29	36.94	27.71	130.23	117.58
5. Exchange Fluctuation Gain/(Loss) (Net)	-7.99	-6.45	3.25	-14.44	14.50	-6.72	-4.43	1.96	-11.15	12.27
6. Other Income	27.28	6.57	9.07	33.85	26.19	15.30	1.71	6.38	17.01	19.98
7. Interest (Net)	-0.87	-0.01	-0.58	-0.88	-2.92	2.45	2.12	0.54	4.57	0.96
8. Profit before Tax (4+5+6-7)	285.43	99.83	75.90	385.26	296.01	99.42	32.10	35.51	131.52	148.87
9. Tax Expense										
- Current	70.75	27.78	16.25	98.53	65.11	7.95	3.66	3.01	11.61	11.88
- Deferred	2.01	1.40	-0.23	3.41	2.36	3.62	1.11	-0.41	4.73	3.74
- Fringe Benefit	2.34	0.62	0.84	2.96	0.84	1.51	0.45	0.49	1.96	0.48
10. Net Profit after Tax (PAT) (8-9)	210.33	70.03	59.04	280.36	227.70	86.34	26.88	32.42	113.22	132.77
11. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	33.73	33.75	33.44	33.75	33.44	33.73	33.75	33.44	33.75	33.44
12. Reserves excluding Revaluation Reserves				660.97	518.10				374.63	398.90
13. EPS (Not annualised) Rs/share										
- Basic	12.54	4.15	3.54	16.69	13.74	5.15	1.59	1.94	6.74	8.01
- Diluted	12.25	4.10	3.49	16.45	13.50	5.03	1.57	1.92	6.64	7.87
14. Aggregate of Non - Promoters Shareholding										
- Number of Shares						76342382			76293338	64975660
- Percentage of Shareholding						45.27			45.22	38.87

Notes:

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on August 23, 2006.
- The Board of Directors at the above meeting has declared a final dividend of Rs 2/- per fully paid up equity share of Rs 2/- each for Financial Year 2005-06. 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 2005-06.
- As approved by the Board of Directors through resolution dated July 26, 2006, in partial modification of earlier resolution, the Company is in the process of merging the subsidiary HCL Infinet Ltd., comprising of Telecommunication and Office Automation segment, with the company with effect from April 1, 2006, through a Composite Scheme of Arrangement, subject to the requisite approvals and sanction by Hon'ble High Court of Delhi.
- Realised/unrealised exchange fluctuation differences accounted in accordance with AS 11 are disclosed separately.
- Five investor complaints were received and resolved during the quarter ended June 30, 2006. No investor complaints were pending at the beginning and at the end of the quarter.

- During the quarter ended June 30, 2006, 98870 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. 1547485 Equity shares have been allotted as stock options during the Financial Year 2005 - 06.
- 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, 2006, 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 tax issues disputed by the Company.
- Consolidated results include results of HCL Infinet Ltd, the wholly owned subsidiary of the Company and Microcomp Ltd., the wholly owned subsidiary of HCL Infinet Ltd.
- The Company on a standalone basis operates in a single segment.
- Figures for previous periods have been regrouped and rearranged to conform with the relevant current period classification.

By order of the Board
for HCL Infosystems Limited

Place : Noida
Date : August 23, 2006

AJAI CHOWDHRY
Chairman & Chief Executive Officer

Consolidated Segment-wise Information

Rs crores

Particulars	Unaudited		Audited	
	Three months ended June 30, 2006	2005	Year ended June 30, 2006	2005
1. Segment Revenue				
a) Products and Related Services				
- Computer Systems & Other Related Products (Gross)	653.00	534.55	2381.36	1970.94
Less: Excise Duty	51.59	5.67	86.66	39.28
- Computer Systems & Other Related Products (Net)	601.41	528.88	2294.70	1931.66
- Telecommunication & Office Automation	2489.68	1655.29	9049.81	5779.30
b) Internet & Related Services	9.23	10.01	37.13	43.23
Total	3100.32	2194.18	11381.64	7754.19
Less : Intersegment revenue	2.22	1.31	13.33	6.30
Net Sales / Income from Operations	3098.10	2192.87	11368.31	7747.89
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)				
a) Products and Related Services				
- Computer Systems & Other Related Products	33.79	32.03	125.50	137.82
- Telecommunication & Office Automation	62.96	41.60	243.96	146.53
b) Internet & Related Services	2.02	0.66	4.47	1.66
Total	98.77	74.29	373.93	286.01
Less :				
i) Interest (Net)	-0.01	-0.58	-0.88	-2.92
ii) Other un-allocable expenditure net of un-allocable income	-1.05	-1.03	-10.45	-7.08
Total Profit before Tax	99.83	75.90	385.26	296.01
3. Capital Employed (Segment Assets - Segment Liabilities)				
a) Products and Related Services				
- Computer Systems & Other Related Products			386.69	298.05
- Telecommunication & Office Automation			-1.23	38.80
b) Internet & Related Services			4.61	9.82
c) Unallocated				
- Liquid Assets			353.55	253.01
- Others Unallocated (including investment in assets given on finance lease)			38.70	36.72
Total Capital Employed			782.32	636.40