

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended September 30, 2007

Rs crores

Particulars	Consolidated			Standalone		
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	Three months ended September 30, 2007	Year ended 2007	Three months ended September 30, 2007	Year ended 2007	Three months ended September 30, 2007	Year ended 2007
1a Gross Sales / Income from Operations	3130.43	2823.96	11855.43	3122.50	563.59	11818.25
1b. Less: Excise Duty	38.67	39.29	170.13	38.67	39.29	170.13
1. Net Sales / Income from Operations	3091.76	2784.67	11685.30	3083.83	524.30	11648.12
2. Other Income	17.83	12.71	50.48	17.52	8.06	48.73
3. Total Income (1+2)	3109.59	2797.38	11735.78	3101.35	532.36	11696.85
4. Expenditure						
a) (Increase)/Decrease in Stock in Trade and Work in Progress	-95.46	-151.87	-271.24	-95.46	-45.40	-270.99
b) Consumption of Raw Materials	494.17	342.56	1531.11	494.55	343.06	1531.15
c) Purchase of Traded Goods	2390.54	2360.60	9318.96	2390.56	101.31	9319.24
d) Stores & Spares consumed and Others	55.10	44.45	222.28	49.13	34.64	202.40
e) Employees Cost	69.78	49.35	227.17	68.02	33.88	217.73
f) Administration, Selling, Repairs & Others	77.88	53.65	253.49	76.12	28.93	244.23
g) Depreciation	4.33	3.87	14.80	3.78	2.46	12.55
Total Expenditure	2996.34	2702.61	11296.57	2986.70	498.88	11256.31
5. Interest Expense (Net)	7.69	1.25	10.50	7.74	3.37	10.55
6. Profit (+) / Loss (-) from ordinary activities before Tax (3-4-5)	105.56	93.52	428.71	106.91	30.11	429.99
7. Tax Expense						
- Current	30.76	25.45	105.90	30.76	3.34	105.90
- Deferred	0.31	0.36	2.71	0.31	0.66	2.21
- Fringe Benefit	2.36	0.64	4.15	2.35	0.37	4.03
8. Profit (+) / Loss (-) from ordinary activities after Tax (6-7)	72.13	67.07	315.95	73.49	25.74	317.85
9. Extraordinary items (net of tax expense Rs Nil)	-	-	-	-	-	-
10. Net Profit(+) / Loss (-) for the period (8-9)	72.13	67.07	315.95	73.49	25.74	317.85
11. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	33.99	33.76	33.83	33.99	33.76	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	4.26	3.97	18.70	4.34	1.53	18.82
- Diluted	4.21	3.94	18.57	4.29	1.51	18.68
b) EPS after extra ordinary items for the period						
- Basic	4.26	3.97	18.70	4.34	1.53	18.82
- Diluted	4.21	3.94	18.57	4.29	1.51	18.68
14. Public Shareholding						
- Number of Shares				77822673	76376013	76952786
- Percentage of Shareholding				45.79	45.24	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 October 22, 2007.
- The Board of Directors at the above meeting has declared interim dividend of Rs.2/- per fully paid up equity share of Rs. 2/- each for the Financial Year 2007-08. The Register of Members and Share Transfer Books of the Company would remain closed from Thursday November 1, 2007 to Friday November 2, 2007 (both days inclusive) for the purpose of payment of dividend.
- Three investor complaints were received and resolved during the quarter ended September 30, 2007. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended September 30, 2007, 797055 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.
- 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 HCL Infinet Limited was amalgamated with the Company. The previous year's figures of the standalone Company do not include the impact of amalgamation and hence are not comparable.

Consolidated Segment-wise Information

Rs crores

Particulars	Unaudited		Audited Year ended 2007
	Three months ended September 30, 2007	2006	
1. Segment Revenue			
a) Products and Related Services			
- Computer Systems & Other Related Products (Gross)	764.58	563.59	2784.58
Less: Excise Duty	38.67	39.29	170.04
- Computer Systems & Other Related Products (Net)	725.91	524.30	2614.54
- Telecommunication & Office Automation (Net)	2365.74	2254.41	9049.47
b) Internet & Related Services	9.76	9.49	39.87
Total	3101.41	2788.20	11703.88
Less : Intersegment revenue	9.65	3.53	18.58
Net Sales / Income from Operations	3091.76	2784.67	11685.30
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)			
a) Products and Related Services			
- Computer Systems & Other Related Products	51.87	31.22	174.33
- Telecommunication & Office Automation	66.86	62.33	267.13
b) Internet & Related Services	-1.39	-0.37	-1.86
Total	117.34	93.18	439.60
Less :			
i) Interest Expense (Net)	7.69	1.25	10.50
ii) Other un-allocable expenditure net off	8.70	5.21	20.19
iii) un-allocable income	4.61	6.80	19.80
Total Profit before Tax	105.56	93.52	428.71
3. Capital Employed (Segment Assets - Segment Liabilities)			
a) Products and Related Services			
- Computer Systems & Other Related Products	860.44	400.59	653.83
- Telecommunication & Office Automation	238.07	78.99	124.82
b) Internet & Related Services	-0.13	4.33	2.41
c) Unallocated			
- Liquid Assets	143.13	295.57	287.51
- Others unallocated (including investment in assets given on finance lease)	-1.42	20.28	27.00
Total Capital Employed	1240.09	799.76	1095.57

6. The 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 unanimously approved by secured and unsecured creditors of the Company at their respective Court convened meetings. The matter is fixed for hearing before the Hon'ble High Court of Delhi on December 07, 2007.

- Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.
- Consolidated results include results of HCL Infinet Ltd.(formerly Microcomp Ltd.) and Stelmec Engineering Pvt. Ltd., the wholly owned subsidiaries of the company.
- The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary HCL Infinet Ltd.(formerly 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's classification.

By order of the Board
for HCL Infosystems Limited

AJAI CHOWDHRY
Chairman & Chief Executive Officer

Place : Noida
Date : October 22, 2007