

# HCL INFOSYSTEMS LIMITED

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

## Unaudited Financial Results for the Quarter ended December 31, 2006

Rs crores

### Consolidated Segment-wise Information

Rs crores

Particulars	Consolidated			Standalone		
	Unaudited Three months ended December 31, 2006	Unaudited Six months ended December 31, 2006	Audited Year ended June 30, 2006	Unaudited Three months ended December 31, 2006	Unaudited Six months ended December 31, 2006	Audited Year ended June 30, 2006
<b>1a Gross Sales / Income from Operations</b>	<b>2968.90</b>	<b>5792.87</b>	<b>11454.97</b>	<b>652.83</b>	<b>1216.42</b>	<b>2381.36</b>
1b. Less: Excise Duty	43.19	82.48	86.66	43.19	82.48	86.66
1. Net Sales / Income from Operations	2925.71	5710.39	11368.31	609.64	1133.94	2294.70
2. Total Expenditure						
(Increase)/Decrease in Stock in Trade	-73.59	-225.46	-125.28	-35.57	-80.97	-59.40
b) Cost of Sales (Net)	2790.43	5538.04	10714.73	540.27	1019.28	1978.51
c) Staff Cost	55.99	105.34	180.91	38.14	72.02	127.22
d) Administration, Selling, Repairs & Others	58.41	112.06	220.55	31.23	60.16	111.39
3 Depreciation	3.12	6.99	12.43	1.71	4.17	6.75
<b>4. Operating Profit (1-2-3)</b>	<b>91.35</b>	<b>173.42</b>	<b>364.97</b>	<b>33.86</b>	<b>59.28</b>	<b>130.23</b>
5. Exchange Fluctuation Gain/(Loss) (Net)	10.27	11.89	-14.44	9.92	12.09	-11.15
6. Other Income	5.50	16.59	33.85	2.83	8.73	17.01
7. Interest (Net)	2.20	3.45	-0.88	5.02	8.38	4.57
<b>8. Profit before Tax (4+5+6-7)</b>	<b>104.92</b>	<b>198.45</b>	<b>385.26</b>	<b>41.59</b>	<b>71.72</b>	<b>131.52</b>
9. Tax Expense						
- Current	26.83	52.28	98.53	4.61	7.95	11.61
- Deferred	1.36	1.72	3.41	1.72	2.38	4.73
- Fringe Benefit	0.74	1.38	2.96	0.50	0.87	1.96
<b>10. Net Profit after Tax (PAT) (8-9)</b>	<b>75.99</b>	<b>143.07</b>	<b>280.36</b>	<b>34.76</b>	<b>60.52</b>	<b>113.22</b>
11. Paid-up Equity Share Capital	33.79	33.79	33.75	33.79	33.79	33.75
(Face value per share in Rs. 2/-)						
12. Reserves excluding Revaluation Reserves of the previous accounting year			660.97			374.63
13. EPS (Not annualised) Rs/share						
- Basic	4.50	8.47	16.69	2.06	3.59	6.74
- Diluted	4.47	8.41	16.45	2.05	3.56	6.64
14. Aggregate of Non - Promoters Shareholding						
- Number of Shares					76615673	76293338
- Percentage of Shareholding					45.35	45.22

Particulars	Unaudited Three months ended December 31, 2006		Unaudited Six months ended December 31, 2006		Audited Year ended June 30, 2006
	<b>1. Segment Revenue</b>				
a) Products and Related Services					
- Computer Systems & Other Related Products (Gross)	652.83	557.04	1216.42	1044.52	2381.36
Less: Excise Duty	43.19	6.38	82.48	12.81	86.66
- Computer Systems & Other Related Products (Net)	609.64	550.66	1133.94	1031.71	2294.70
-Telecommunication & Office Automation	2309.46	2243.68	4563.87	4034.90	9049.81
b) Internet & Related Services	9.80	9.63	19.29	19.30	37.13
Total	2928.90	2803.97	5717.10	5085.91	11381.64
Less : Intersegment revenue	3.19	3.25	6.71	6.30	13.33
<b>Net Sales / Income from Operations</b>	<b>2925.71</b>	<b>2800.72</b>	<b>5710.39</b>	<b>5079.61</b>	<b>11368.31</b>
<b>2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)</b>					
a) Products and Related Services					
- Computer Systems & Other Related Products	43.87	25.75	75.09	53.13	125.50
-Telecommunication & Office Automation	61.51	61.69	123.84	109.47	243.96
b) Internet & Related Services	-0.37	0.50	-0.74	0.76	4.47
Total	105.01	87.94	198.19	163.36	373.93
Less :					
i) Interest (Net)	2.20	0.52	3.45	-0.42	-0.88
ii) Other un-allocable expenditure net of un-allocable income	-2.11	-0.62	-3.71	-6.28	-10.45
<b>Total Profit before Tax</b>	<b>104.92</b>	<b>88.04</b>	<b>198.45</b>	<b>170.06</b>	<b>385.26</b>
<b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>					
a) Products and Related Services					
- Computer Systems & Other Related Products			493.91	326.49	386.69
-Telecommunication & Office Automation			12.21	14.17	-1.23
b) Internet & Related Services			1.60	5.51	4.61
c) Unallocated					
- Liquid Assets			306.47	341.78	353.55
- Others unallocated (including investment in assets given on finance lease)			54.78	49.61	38.70
<b>Total Capital Employed</b>			<b>868.97</b>	<b>737.56</b>	<b>782.32</b>

**Notes:**

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on January 24, 2007.
- The Board of Directors at the above meeting has declared second 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 Tuesday, January 30, 2007. The aggregate of interim (quarterly) dividends represents 200% for the half year.
- Three investor complaints were received and resolved during the quarter ended December 31, 2006. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended December 31, 2006, 134660 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. 217335 Equity shares have been allotted under stock options during the half year 2006 -07.
- The composite Scheme of Arrangement for merging the subsidiary HCL Infinet Ltd., comprising of Telecommunication and Office Automation segment, with the company w.e.f April 1, 2006 has been approved by the unsecured creditors of HCL Infinet Ltd. The matter is fixed for hearing before the Hon'ble High Court of Delhi on January 29, 2007.
- The auditors of the Company have carried out a 'Limited Review' of the standalone unaudited financial results for the quarter ended December 31, 2006 in terms of Clause 41 of the Listing Agreement with Stock Exchanges.
- Tax expense for the current quarter has been estimated subject to audit and final computation of various tax adjustments. It does not take into account tax issues disputed by the Company.
- The Company on a standalone basis operates in a single segment.
- Consolidated results include results of HCL Infinet Ltd., the wholly owned subsidiary of the company, Microcomp Ltd., the wholly owned subsidiary of HCL Infinet Ltd. and Stelmac Engineering (P) Ltd., a wholly owned subsidiary acquired by HCL Infinet Ltd. during the quarter ended December 31, 2006. The results of Microcomp Ltd. and Stelmac Engineering (P) Ltd. are not material.
- 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 : January 24, 2007

AJAI CHOWDHRY  
Chairman & Chief Executive Officer