

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended March 31, 2006

Rs crores

Consolidated Segment-wise Information

Rs crores

Particulars	Consolidated					Standalone				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended	Three months ended	Three months ended	Three months ended	Year ended	Three months ended	Three months ended	Three months ended	Three months ended	Year ended
	March 31,	March 31,	March 31,	March 31,	June 30,	March 31,	March 31,	March 31,	March 31,	June 30,
	2006	2005	2006	2005	2005	2006	2005	2006	2005	2005
1a Gross Sales / Income from Operations	3211.23	2011.82	8302.29	5586.14	7783.61	682.21	537.02	1725.37	1433.90	1967.38
1b. Less: Excise Duty	22.26	10.48	35.07	33.61	39.28	22.26	10.48	35.07	33.61	39.28
1. Net Sales / Income from Operations	3188.97	2001.34	8267.22	5552.53	7744.33	659.95	526.54	1690.30	1400.29	1928.10
2. Total Expenditure										
a) (Increase)/Decrease in Stock in Trade	-103.68	-13.41	-186.49	-114.31	-47.34	-55.43	6.65	-105.30	-45.63	-6.52
b) Cost of Sales (Net)	3075.07	1851.62	7888.53	5232.92	7189.16	610.50	423.84	1525.96	1204.92	1603.92
c) Staff Cost	46.67	36.37	129.27	103.39	146.58	33.38	25.88	91.44	74.63	102.97
d) Administration, Selling, Repairs & Others	63.88	46.32	161.34	129.60	187.52	33.31	26.17	79.98	71.11	102.86
3 Depreciation	2.22	3.82	9.30	10.96	15.24	1.59	1.67	4.93	4.82	6.51
4. Operating Profit (1-2-3)	104.81	76.62	265.27	189.97	253.17	36.60	42.33	93.29	90.44	118.36
5. Exchange Fluctuation Gain/(Loss) (Net)	0.41	-0.67	-7.99	11.24	14.50	0.44	-1.22	-6.72	10.31	12.27
6. Other Income	9.70	4.72	27.28	16.56	25.42	4.72	2.90	15.30	13.03	19.21
7. Interest (Net)	-0.45	-2.42	-0.87	-2.34	-2.92	1.29	-1.48	2.45	0.42	0.96
8. Profit before Tax (4+5+6-7)	115.37	83.09	285.43	220.11	296.01	40.47	45.49	99.42	113.36	148.88
9. Tax Expense										
- Current	28.51	17.89	70.75	48.86	65.11	3.41	3.55	7.95	8.87	11.88
- Deferred	1.75	-0.20	2.01	2.59	2.36	2.15	0.63	3.62	4.15	3.74
- Fringe Benefit	0.67		2.34		0.84	0.41		1.51		0.49
10. Net Profit after Tax (PAT) (8-9)	84.44	65.40	210.33	168.66	227.70	34.50	41.31	86.34	100.34	132.77
11. Paid-up Equity Share Capital	33.73	33.36	33.73	33.36	33.44	33.73	33.36	33.73	33.36	33.44
(Face value per share in Rs. 2/-)										
12. Reserves excluding Revaluation Reserves of the previous accounting year					518.10					398.90
13. EPS (Not annualised) Rs/share										
- Basic	5.02	3.94	12.54	10.20	13.74	2.05	2.49	5.15	6.07	8.01
- Diluted	4.91	3.69	12.25	9.51	12.88	2.01	2.33	5.03	5.66	7.51
14. Aggregate of Non - Promoters Shareholding										
- Number of Shares								76342382	12831343	64975660
- Percentage of Shareholding								45.27	38.47	38.87
- Face value per share								2.00	10.00	2.00

Particulars	Unaudited		Unaudited		Audited
	Three months ended		Three months ended		Year ended
	March 31,	March 31,	March 31,	March 31,	June 30,
	2006	2005	2006	2005	2005
1. Segment Revenue					
a) Products and Related Services					
- Computer Systems & Other Related Products (Gross)	682.21	537.02	1725.37	1433.90	1967.38
Less: Excise Duty	22.26	10.48	35.07	33.61	39.28
- Computer Systems & Other Related Products (Net)	659.95	526.54	1690.30	1400.29	1928.10
- Telecommunication & Office Automation	2525.23	1466.77	6560.13	4124.01	5779.30
b) Internet & Related Services	8.60	9.57	27.90	33.22	43.23
Total	3193.78	2002.88	8278.33	5557.52	7750.63
Less : Intersegment revenue	4.81	1.54	11.11	4.99	6.30
Net Sales / Income from Operations	3188.97	2001.34	8267.22	5552.53	7744.33
2. Segment Results (Profit+)/ Loss(-) before Tax and Interest from each segment					
a) Products and Related Services					
- Computer Systems & Other Related Products	38.58	43.00	91.71	105.79	137.82
- Telecommunication & Office Automation	71.53	38.74	181.00	104.94	146.53
b) Internet & Related Services	1.69	-0.73	2.45	1.00	1.66
Total	111.80	81.01	275.16	211.73	286.01
Less :					
i) Interest (Net)	-0.45	-2.42	-0.87	-2.34	-2.92
ii) Other un-allocable expenditure net of un-allocable income	-3.12	0.34	-9.40	-6.04	-7.08
Total Profit before Tax	115.37	83.09	285.43	220.11	296.01
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products			365.44	328.79	297.51
- Telecommunication & Office Automation			48.93	30.53	38.63
b) Internet & Related Services			4.66	11.15	9.69
c) Unallocated					
- Liquid Assets			206.14	193.66	253.01
- Others Unallocated (including investment in assets given on finance lease)			106.72	58.60	37.02
Total Capital Employed			731.89	622.73	635.86

Notes:

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on April 24, 2006.
- The Board of Directors at the above meeting has declared third interim (quarterly) dividend of Rs 2/- per fully paid up equity share of Rs 2/- each for the Financial Year 2005-06. The "Record Date" for payment of the dividend will be Monday, May 1, 2006. The aggregate of interim (quarterly) dividends paid represents 300% for nine months.
- In view of the sharp volatility in Rupee during the nine months, realised/unrealised exchange fluctuation differences accounted in accordance with AS 11, are disclosed separately.
- Two investor complaints were received and resolved during the quarter ended March 31, 2006. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended March 31, 2006, 733130 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. 1448615 Equity shares have been allotted under stock options during the nine months 2005 - 06.
- The auditors of the Company have carried out a ' Limited Review ' of the standalone unaudited financial results for the quarter ended March 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.
- 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