

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended December 31, 2007

Rs crores

Particulars	Consolidated					Standalone				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended	December 31,	Six months ended	December 31,	Year ended	Three months ended	Six months ended	December 31,	Six months ended	Year ended
	2007	2006	2007	2006	2007	2007	2006 #	2007	2006 #	2007
1a Gross Sales / Income from Operations	3306.63	2968.90	6437.06	5792.87	11855.43	3296.91	652.83	6419.41	1216.42	11818.25
1b. Less: Excise Duty	36.55	43.19	75.22	82.48	170.13	36.55	43.19	75.22	82.48	170.13
1. Net Sales / Income from Operations	3270.08	2925.71	6361.84	5710.39	11685.30	3260.36	609.64	6344.19	1133.94	11648.12
2. Other Income	18.00	15.77	35.83	28.48	50.48	17.61	12.75	35.13	20.82	48.73
3. Total Income (1+2)	3288.08	2941.48	6397.67	5738.87	11735.78	3277.97	622.39	6379.32	1154.76	11696.85
4. Expenditure										
a) (Increase) / Decrease in Stock in Trade and Work in Progress	18.34	-73.59	-77.12	-225.46	-271.24	18.34	-35.57	-77.12	-80.97	-270.99
b) Consumption of Raw Materials	496.76	363.86	990.93	707.14	1553.23	497.03	364.84	991.58	708.62	1553.27
c) Purchase of Traded Goods	2426.46	2375.92	4817.00	4735.80	9296.85	2426.47	134.68	4817.03	235.27	9297.12
d) Stores & Spares consumed and Others	53.92	50.65	109.02	95.10	222.27	47.15	40.75	96.28	75.39	202.40
e) Employees Cost	75.40	55.99	145.18	105.34	227.17	73.29	38.14	141.31	72.02	217.73
f) Administration, Selling, Repairs & Others	87.02	58.41	164.90	112.06	253.49	84.31	31.23	160.43	60.16	244.23
g) Depreciation	4.41	3.12	8.74	6.99	14.80	3.89	1.71	7.67	4.17	12.55
Total Expenditure	3162.31	2834.36	6158.65	5536.97	11296.57	3150.48	575.78	6137.18	1074.66	11256.31
5. Interest Expense (Net)	10.25	2.20	17.94	3.45	10.50	10.23	5.02	17.97	8.38	10.55
6. Profit (+) / Loss (-) from ordinary activities before Tax (3-4-5)	115.52	104.92	221.08	198.45	428.71	117.26	41.59	224.17	71.72	429.99
7. Tax Expense										
- Current	35.44	26.83	66.20	52.28	105.90	35.44	4.61	66.20	7.95	105.90
- Deferred	-0.85	1.36	-0.54	1.72	2.71	-0.85	1.72	-0.54	2.38	2.21
- Fringe Benefit	-0.48	0.74	1.88	1.38	4.15	-0.52	0.50	1.83	0.87	4.03
8. Profit (+) / Loss (-) from ordinary activities after Tax (6-7)	81.41	75.99	153.54	143.07	315.95	83.19	34.76	156.68	60.52	317.85
9. Extraordinary items (net of tax expense Rs Nil)	-	-	-	-	-	-	-	-	-	-
10. Net Profit(+) / Loss (-) for the period (8-9)	81.41	75.99	153.54	143.07	315.95	83.19	34.76	156.68	60.52	317.85
11. Paid-up Equity Share Capital (Face value per share in Rs. 2/-)	34.16	33.79	34.16	33.79	33.83	34.16	33.79	34.16	33.79	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	4.78	4.50	9.04	8.47	18.70	4.88	2.06	9.22	3.59	18.82
- Diluted	4.70	4.47	8.89	8.41	18.57	4.80	2.05	9.07	3.56	18.68
b) EPS after extra ordinary items for the period										
- Basic	4.78	4.50	9.04	8.47	18.70	4.88	2.06	9.22	3.59	18.82
- Diluted	4.70	4.47	8.89	8.41	18.57	4.80	2.05	9.07	3.56	18.68
14. Public Shareholding										
- Number of Shares								78899899	76615673	76952786
- Percentage of Shareholding								46.20	45.35	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 January 28, 2008.
- 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 "Record Date" for payment of the dividend will be Wednesday, February 6, 2008. The aggregate of interim (quarterly) dividends represents 200% for the half year.
- Six investor complaints were received and resolved during the quarter ended December 31, 2007. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended December 31, 2007, 824805 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.
- 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 approved by the Hon'ble High Court of Delhi on December 07, 2007. The order was received on January 23, 2008. The Scheme shall become effective on filing the certified copy of the said order with the Registrar of Companies, NCT of Delhi & Haryana. The impact of amalgamation, which is not expected to be material, shall be included in the results for the quarter ending March 31, 2008.

Consolidated Segment-wise Information

Rs crores

Particulars	Unaudited		Unaudited		Audited
	Three months ended	December 31,	Six months ended	December 31,	Year ended
	2007	2006	2007	2006	2007
1. Segment Revenue					
a) Products and Related Services					
- Computer Systems & Other Related Products (Gross)	911.04	652.83	1675.62	1216.42	2784.58
Less: Excise Duty	36.44	43.19	75.11	82.48	170.04
- Computer Systems & Other Related Products (Net)	874.60	609.64	1600.51	1133.94	2614.54
- Telecommunication & Office Automation (Net)	2395.11	2309.46	4760.85	4563.87	9049.47
b) Internet & Related Services	10.43	9.80	20.19	19.29	39.87
Total	3280.14	2928.90	6381.55	5717.10	11703.88
Less : Intersegment revenue	10.06	3.19	19.71	6.71	18.58
Net Sales / Income from Operations	3270.08	2925.71	6361.84	5710.39	11685.30
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)					
a) Products and Related Services					
- Computer Systems & Other Related Products	61.15	43.87	113.02	75.09	174.33
- Telecommunication & Office Automation	66.08	61.51	132.94	123.84	267.13
b) Internet & Related Services	-1.73	-0.37	-3.12	-0.74	-1.86
Total	125.50	105.01	242.84	198.19	439.60
Less :					
i) Interest Expense (Net)	10.25	2.20	17.94	3.45	10.50
ii) Other un-allocable expenditure net off	5.27	1.62	13.97	6.81	20.19
iii) un-allocable income	5.54	3.73	10.15	10.52	19.80
Total Profit before Tax	115.52	104.92	221.08	198.45	428.71
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products			937.90	493.91	653.83
- Telecommunication & Office Automation			165.06	12.21	124.82
b) Internet & Related Services			-0.25	1.60	2.41
c) Unallocated					
- Liquid Assets			182.25	306.47	287.51
- Others unallocated (including investment in assets given on finance lease)			52.51	54.78	27.00
Total Capital Employed			1337.47	868.97	1095.57

6. 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 erstwhile HCL Infonet 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.

7. Tax expense for the current quarter has been estimated subject to final computation of various tax adjustments.

8. Consolidated results include results of HCL Infonet Ltd.(formerly Microcomp Ltd.) and Stelmec Engineering Private Ltd., the wholly owned subsidiaries of the company.

9. The Company on a standalone basis operates in Computer Systems and Telecommunication & Office Automation segments. The Company's subsidiary HCL Infonet Ltd.(formerly Microcomp Ltd.) operates in the Internet & Related Services segment.

10. 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 : January 28, 2008