

HCL INFOSYSTEMS LIMITED

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

Audited Financial Results for the year ended June 30, 2005

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	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
March 31,2005	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
1a Gross Sales / Income from Operations	5586.14	2197.47	1321.17	7783.61	4411.78	1433.90	533.48	390.48	1967.38	1522.03		
1b. Less: Excise Duty	33.61	5.67	25.52	39.28	105.35	33.61	5.67	25.52	39.28	105.35		
1. Net Sales / Income from Operations	5552.53	2191.80	1295.65	7744.33	4306.43	1400.29	527.81	364.96	1928.10	1416.68		
2. Other Income	27.80	12.12	0.78	39.92	23.20	23.34	8.14	2.02	31.48	20.92		
3. Total Expenditure												
a) (Increase)/Decrease in Stock in Trade	-114.31	66.97	-26.62	-47.34	-1.13	-45.63	39.11	-19.53	-6.52	-33.43		
b) Cost of Sales	5232.36	1955.91	1196.97	7188.27	3862.37	1204.36	398.67	309.84	1603.03	1168.43		
c) Staff Cost	102.43	42.80	30.20	145.23	108.62	73.67	27.95	20.66	101.62	77.99		
d) Administration, Selling, Repairs & Others	131.12	58.64	34.16	189.76	127.15	72.63	32.47	20.42	105.10	79.37		
4. PBDIT (1 + 2 - 3)	228.73	79.60	61.72	308.33	232.62	118.60	37.75	35.59	156.35	145.24		
5. Interest (Net)	-2.34	-0.58	0.60	-2.92	3.10	0.42	0.54	1.60	0.96	6.56		
6. Depreciation	10.96	4.28	5.21	15.24	18.01	4.82	1.69	3.21	6.51	10.19		
7. Profit before Tax (4-5-6)	220.11	75.90	55.91	296.01	211.51	113.36	35.52	30.78	148.88	128.49		
8. Tax Expense												
- Current	48.86	16.25	11.90	65.11	20.99	8.87	3.01	2.62	11.88	10.14		
- Deferred	2.59	-0.23	-1.84	2.36	15.41	4.15	-0.41	-1.51	3.74	-2.55		
- Fringe Benefit		0.84		0.84			0.49		0.49			
9. Net Profit after Tax (PAT) (7-8)	168.66	59.04	45.85	227.70	175.11	100.34	32.43	29.67	132.77	120.90		
10. Paid-up Equity Share Capital (Face value of Rs 2/-per share)	33.36	33.44	32.89	33.44	32.89	33.36	33.44	32.89	33.44	32.89		
11. Reserves excluding Revaluation Reserves				518.10	386.72				360.74	362.46		
12. EPS (Not annualised) Rs/share (Refer Note 2)												
- Basic	10.20	3.54	2.79	13.74	10.87	6.07	1.94	1.81	8.01	7.50		
- Diluted	9.51	3.33	2.61	12.88	10.16	5.66	1.83	1.69	7.51	7.01		
13. Aggregate of Non - Promoters Shareholding												
- Number of Shares						12831343			64975660	12144299		
- Percentage of Shareholding						38.47			38.87	36.92		
- Face value per share						10.00			2.00	10.00		

Consolidated Segment-wise Information

Rs crores

Particulars	Unaudited		Audited	
	Three months ended		Year ended	
	June 30,	June 30,	June 30,	June 30,
	2005	2004	2005	2004
1. Segment Revenue				
a) Products and Related Services				
- Computer Systems & Other Related Products (Gross)	533.48	390.48	1967.38	1522.03
Less: Excise Duty	5.67	25.52	39.28	105.35
- Computer Systems & Other Related Products (Net)	527.81	364.96	1928.10	1416.68
- Office Automation & Telecommunication	1655.29	929.79	5779.30	2876.77
b) Internet & Related Services	10.01	9.97	43.23	44.16
Total	2193.11	1304.72	7750.63	4337.61
Less : Intersegment revenue	1.31	9.07	6.30	31.18
Net Sales / Income from Operations	2191.80	1295.65	7744.33	4306.43
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)				
a) Products and Related Services				
- Computer Systems & Other Related Products	32.03	26.44	137.82	122.98
- Office Automation & Telecommunication	41.54	28.02	146.28	83.25
b) Internet & Related Services	0.62	0.21	1.56	-1.95
Total	74.19	54.67	285.66	204.28
Less :				
i) Interest (Net)	-0.58	0.60	-2.92	3.10
ii) Other un-allocable expenditure net of un-allocable income	-1.13	-1.84	-7.43	-10.33
Total Profit before Tax	75.90	55.91	296.01	211.51
3. Capital Employed (Segment Assets - Segment Liabilities)				
a) Products and Related Services				
- Computer Systems & Other Related Products			358.60	204.81
- Office Automation & Telecommunication			56.12	64.96
b) Internet & Related Services			9.65	2.64
c) Unallocated				
- Liquid Assets			253.01	254.08
- Others unallocated			-41.52	-31.80
Total Capital Employed			635.86	494.69

Notes:

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on August 18, 2005.
- Pursuant to approval of the shareholders of the Company, each equity share of Rs 10/- each has been sub divided into 5 equity shares of Rs 2/- each w.e.f July 16, 2005. Consequently, the EPS for all periods are based on new face value of Rs 2/- per share.
- The Board of Directors at the above meeting has recommended a final dividend of Rs 2/- per fully paid up equity share of Rs. 2/- each for the Financial year 2004-05. This is subject to the approval of the members of the Company at the ensuing Annual General Meeting. The aggregate of quarterly interim dividends paid and final dividend recommended represents 310% for the Financial year 2004-05.
- Six investor complaints were received and resolved during the quarter ended June 30, 2005. No investor complaints were pending at the beginning and at the end of the quarter.
- During the quarter ended June 30, 2005, 81476 equity shares of Rs 10/- each (sub-divided into 407380 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. The total equity shares allotted under stock option during the year 2004 -05 were 546481(sub-divided into 2732405 shares of Rs 2/- each).
- Tax Expense (Current) has been computed by applying the provisions of Income Tax Act, 1961 to the profits of the financial year ended 30th June, 2005, 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.
- The Company operates in a single segment and hence segment reporting is not applicable. However, segment wise information on the consolidated results has been reported.
- 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 18, 2005

AJAI CHOWDHRY
Chairman & Chief Executive Officer