

HCL INFOSYSTEMS LIMITED

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

Unaudited Financial Results for the Quarter ended December 31, 2004

Rs crores

Particulars	Consolidated					Standalone				
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	Three months ended	Three months ended	Six months ended	Six months ended	year ended	Three months ended	Three months ended	Six months ended	Six months ended	year ended
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	June 30, 2004	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	June 30, 2004
1a Gross Sales / Income from Operations	1994.82	1042.92	3574.32	1899.04	4413.00	502.15	373.85	896.88	708.36	1523.25
1b. Less: Excise Duty	8.96	29.30	23.13	56.42	105.35	8.96	29.30	23.13	56.42	105.35
1. Net Sales / Income from Operations	1985.86	1013.62	3551.19	1842.62	4307.65	493.19	344.55	873.75	651.94	1417.90
2. Other Income	15.23	4.36	23.75	12.16	23.20	13.80	4.07	21.66	10.68	20.92
3. Total Expenditure										
a) (Increase)/Decrease in Stock in Trade	-66.82	13.84	-100.90	88.43	-1.13	-26.66	0.63	-52.28	-1.07	-33.43
b) Cost of Sales	1902.84	892.44	3381.01	1559.01	3863.59	440.49	273.85	780.79	523.26	1169.65
c) Staff Cost	34.14	26.42	66.39	49.64	108.46	24.51	19.93	48.12	36.93	77.83
d) Administration, Selling, Repairs & Others	45.79	29.62	84.20	57.41	127.31	25.19	19.48	45.86	37.93	79.53
4. PBDIT (1 + 2 - 3)	85.14	55.66	144.24	100.29	232.62	43.46	34.73	72.92	65.57	145.24
5. Interest (Net)	-0.14	0.78	0.08	1.86	3.10	0.79	1.61	1.90	3.47	6.56
6. Depreciation	3.63	4.42	7.14	8.46	18.01	1.65	2.32	3.15	4.58	10.19
7. Profit before Tax (4-5-6)	81.65	50.46	137.02	89.97	211.51	41.02	30.80	67.87	57.52	128.49
8. Tax Expense										
- Current	18.18	3.60	30.97	6.32	20.99	3.22	2.38	5.32	4.42	10.14
- Deferred	3.37	5.43	2.79	9.86	15.41	3.68	-1.62	3.52	-1.78	-2.55
9. Net Profit after Tax (PAT) (7-8)	60.10	41.43	103.26	73.79	175.11	34.12	30.04	59.03	54.88	120.90
10. Paid-up Equity Share Capital (Face value per share in Rs.)	33.14	31.97	33.14	31.97	32.89	33.14	31.97	33.14	31.97	32.89
11. Reserves excluding Revaluation Reserves of the previous accounting year	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
12. EPS (Not annualised) Rs/share										
- Basic	18.18	12.98	31.29	23.12	54.35	10.32	9.41	17.89	17.20	37.52
- Diluted	17.08	12.31	29.38	21.75	50.80	9.70	8.92	16.79	16.18	35.07
13. Aggregate of Non - Promoters Shareholding										
- Number of Shares					386.72					362.46
- Percentage of Shareholding								12445536	11088463	12144299
								37.56	34.68	36.92

Consolidated Segment-wise Information

Rs crores

Particulars	Unaudited		Unaudited		Audited
	Three months ended		Six months ended		year ended
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	June 30, 2004
1. Segment Revenue					
a) Products and Related Services					
- Computer Systems & Other Related Products (Gross)	502.15	373.85	896.88	708.36	1523.25
Less: Excise Duty	8.96	29.30	23.13	56.42	105.35
- Computer Systems & Other Related Products (Net)	493.19	344.55	873.75	651.94	1417.90
- Office Automation & Telecommunication	1482.56	664.41	2657.24	1182.97	2876.77
b) Internet & Related Services	11.71	10.72	23.65	20.63	44.16
Total	1987.46	1019.68	3554.64	1855.54	4338.83
Less : Intersegment revenue	1.60	6.06	3.45	12.92	31.18
Net Sales / Income from Operations	1985.86	1013.62	3551.19	1842.62	4307.65
2. Segment Results (Profit(+)/ Loss(-) before Tax and Interest from each segment)					
a) Products and Related Services					
- Computer Systems & Other Related Products	39.22	31.02	62.79	56.58	122.98
- Office Automation & Telecommunication	38.80	19.28	66.06	31.56	83.25
b) Internet & Related Services	0.68	-1.02	1.69	-2.22	-1.95
Total	78.70	49.28	130.54	85.92	204.28
Less :					
i) Interest (Net)	-0.14	0.78	0.08	1.86	3.10
ii) Other un-allocable expenditure net of un-allocable income	-2.81	-1.96	-6.56	-5.91	-10.33
Total Profit before Tax	81.65	50.46	137.02	89.97	211.51
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Products and Related Services					
- Computer Systems & Other Related Products			314.90	187.16	204.79
- Office Automation & Telecommunication			61.15	25.85	64.96
b) Internet & Related Services			13.26	3.98	2.64
c) Unallocated					
- Liquid Assets			163.59	243.98	254.08
- Others unallocated			-27.04	-5.56	-31.80
Total Capital Employed			525.86	455.41	494.67

Notes:

- The above results have been taken on record at the meeting of the Board of Directors of the Company held on January 18, 2005.
- The Board of Directors at the above meeting has declared second interim (quarterly) dividend of Rs. 7/- per fully paid up equity share of Rs. 10/- each for the Financial Year 2004-05. The "Record Date" for payment of the dividend will be Monday, January 24, 2005. The aggregate of interim (quarterly) dividends paid represents 140% for the half year.
- As per the terms of Clause 41 of the Listing Agreement, given below is the information on investor complaints for the quarter ended December 31, 2004 :

Pending at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Pending at the end of the quarter
Nil	3	3	Nil
- During the quarter ended December 31, 2004, 139689 equity shares of Rs 10/- 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 half year 2004 -05 were 247560.
- The equity shares of the Company have been delisted from The Delhi Stock Exchange Association Ltd., New Delhi and Madras Stock Exchange Ltd., Chennai w.e.f December 11, 2004 and December 22, 2004 respectively. The application for delisting from The Calcutta Stock Exchange Association Ltd., Kolkata is in process. The Company's shares would continue to be listed in The National Stock Exchange of India Ltd. and The Stock Exchange, Mumbai.
- The auditors of the Company have carried out a ' Limited Review ' of the standalone unaudited financial results for the quarter ended December 31, 2004 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.
- The Company has a single reportable segment and hence segment reporting is not applicable. However, consolidated segment wise information 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 : January 18, 2005

AJAI CHOWDHRY
Chairman & Chief Executive Officer