

HCL Infosystems posts 7% growth in Revenue at INR 1,148 Crore in Q1 FY 2017

Loss after tax reduced from INR 84.6 Crore (excluding goodwill impairment of INR 70 Crore) in previous quarter to INR 35.7 Crore in Q1 FY17

Enterprise Business delivers positive momentum with 3% Q-o-Q growth

Quarter Highlights

- Q1 Revenue at Rs. 1,148 Crore, growth of 7% Q-o-Q
- Loss before finance costs, exceptional items and tax is INR 1.4 Crore as against INR 24.5 Crore in Q3FY16
- Loss after tax reduced from INR 84.6 Crore (excluding goodwill impairment of INR 70 Crore) in previous quarter to INR 35.7 Crore in Q1
- Enterprise Business revenues at INR 573 Crore on back of continued focus as against INR 556 Crore in previous quarter; this business contributes 50% to the Company's Revenue
- Consumer Business revenue at INR 472 Crore; marginal increase of 4% Q-o-Q

Note - The Indian Accounting Standards (Ind-AS), as notified under the Companies (Indian Accounting Standards) Rules, 2015, are applicable to HCL Infosystems Limited for the accounting period commencing from April 1, 2016.

New Delhi, 30th July 2016: HCL Infosystems, one of India's premier IT Services, Distribution and Digital Solutions Company, today announced its financial results for the first quarter ended June 30, 2016

Mr. Premkumar, Executive Vice-Chairman and Managing Director, HCL Infosystems Ltd., commenting on the results said, *"Our continued thrust and investments in the Enterprise business has resulted in robust growth for the fourth quarter in succession. The mobility business also showed a positive trajectory in this quarter, together the same has enabled improved profitability. Key SI projects in Defence dedicated to the Nation would result in formal commercial closure."*

Enterprise Business:

The core Enterprise Business (consisting of Enterprise Products Distribution, Domestic Enterprise Services, Global Enterprise Services and Care Services) continued on its growth path and is the engine for the Company's next level of growth. Enterprise Business Revenue for Q1 FY2017 was at INR 573 Crore, up 3% from last quarter.

The **Enterprise Business** once again clocked sequential growth in revenue. The GTM of an integrated products and services portfolio is creating good traction apart from bringing in cost synergies.

The **Global Services** business continued to register growth in revenue and profitability. The Singapore business acquired new clients for prestigious projects in Networking, Security solutions, Data Centre & Cloud Solutions.

Consumer Business:

The Consumer Distribution business recorded a marginal 4% increase in Q1 revenue over the last quarter. The business was buoyed by 13% growth in Entry Category both in Value and Volume. The business expanded its retail reach by over 20%, thus strengthening its touch points.

System Integration (SI) & Solutions:

The SI and Solutions business registered revenue of INR 122 Crore in Q1 FY2017, with orders worth Rs. 80 Crores executed during the quarter. The total order book size stood at INR 1100 Crore as on 30th June'16, which largely comprises of annual maintenance and managed services contracts. The UIDAI project crossed the milestone of enrollment of more than 102.5 Crore Aadhaars. The prestigious Defence Communication Network (DCN) Project was dedicated to the nation.

Awards & Recognitions during AMJ 2016

HCL Services won the award for “Best Use of Lean Six Sigma: Field Services in IT” at World Quality Congress Conference for significantly improving Customer Experience for a leading multi-national OEM.

Earnings Conference Call

We will hold an earnings conference call on 1st August at 4:30 p.m. Indian Standard Time to discuss the performance for the quarter. A transcript of the management discussions and the question and answer session will be available online and will be accessible in the Investor Relations section of our website at www.hclinfosystems.in.

For more information, please visit www.hclinfosystems.in

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About HCL Infosystems

HCL Infosystems is one of India's premier IT Services, Distribution and Digital Solutions Company, enabling organizations attain and sustain competitive advantage by leveraging Information and Communication Technologies. It offers a comprehensive portfolio of capabilities spanning IT & System Integration services, digitally-enabled learning and career development solutions to value-added distribution of technology, mobility and consumer products. For more information, please visit us at www.hclinfosystems.in

About HCL

Founded in 1976 as one of India's original IT garage start-ups, HCL is a pioneer of modern computing with many firsts to its credit, including the introduction of the 8-bit microprocessor-based computer in 1978 well before its global peers. Today, the HCL enterprise has a presence across varied sectors that include technology, healthcare and talent management solutions and comprises four companies - HCL Infosystems, HCL Technologies, HCL Healthcare and HCL TalentCare. The enterprise generates annual revenues of over US\$ 7 billion with more than 105,000 employees from 100 nationalities operating across 31 countries, including over 500 points of presence in India. For further information, visit www.hcl.com

(Tables to follow)

CONSOLIDATED RESULTS

Rs crores

	Unaudited		Unaudited
	Three Months ended		9M Ended
	30.06.2016	31.03.2016	31.03.2016
Gross Sales / Income from Operations	1,148.2	1,069.1	3,656.2
Less: Excise Duty	-	0.0	0.1
Net Sales / Income from Operations	1,148.2	1,069.1	3,656.1
Other Operating Income	0.2	15.7	15.7
Expenses	-	-	-
Cost of materials consumed	0.2	0.1	0.1
Purchases of Stock-in-trade	803.9	736.3	2,606.5
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	8.4	26.3	41.1
Employee benefits expense	149.2	151.5	463.7
Exchange Differences Loss/ (Gain)	1.4	0.8	4.0
Depreciation and amortisation expense	9.0	9.9	32.0
Other Expenses	213.8	227.0	680.9
Total Expenses	1,185.9	1,151.9	3,828.3
Profit / (Loss) from Operations before Other Income, finance costs and exceptional items	(37.5)	(67.1)	(156.5)
Other Income	36.1	42.6	130.3
Profit / (Loss) from ordinary activities before finance costs and exceptional items	(1.4)	(24.5)	(26.2)
Finance costs	44.4	46.7	125.7
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(45.8)	(71.2)	(151.9)
Exceptional Items loss/ (Gain)	-	71.1	67.2
Profit / (Loss) from ordinary activities before Tax	(45.8)	(142.3)	(219.1)
Tax Expense/ (Credit)	(10.1)	12.3	(4.8)
Net Profit / (Loss) from ordinary activities after Tax	(35.7)	(154.6)	(214.3)
Extraordinary items (net of tax expense)	-	-	-
Net Profit / (Loss) for the period	(35.7)	(154.6)	(214.3)
Share of Profit / (Loss) of associates	-	-	-
Net Profit / (Loss) after taxes, and share of Profit / (Loss) of associates	(35.7)	(154.6)	(214.3)
Other Comprehensive income, net of income tax	0.0	0.0	0.1
Total Comprehensive income	(35.7)	(154.6)	(214.2)
Basic EPS (Not annualised) Rs/share	(1.6)	(6.9)	(9.6)

CONSOLIDATED SEGMENT RESULTS
Rs crores

	Unaudited		Unaudited
	Three Months ended		9M Ended
	30.06.2016	31.03.2016	31.03.2016
Segment Revenue			
-Hardware Products and Solutions (Gross)	122.5	83.4	357.3
Less: Excise Duty	-	-	-
- Hardware Products and Solutions (Net)	122.5	83.4	357.3
- Services	244.7	244.1	757.7
Less: Excise Duty	-	0.0	0.1
- Services (Net)	244.7	244.1	757.6
- Distribution	804.4	764.4	2,609.1
- Learning	4.0	4.7	16.5
Total	1,175.6	1,096.7	3,740.5
Less : Intersegment revenue	27.4	27.6	84.4
Net Sales / Income from Operations	1,148.2	1,069.1	3,656.1
Segment Results (Profit / (Loss) before Tax and Interest from each segment)			
- Hardware Products and Solutions	(9.6)	(40.7)	(83.3)
- Services	(13.2)	(10.8)	(24.7)
- Distribution	9.0	6.5	19.7
- Learning	(3.6)	(4.0)	(12.4)
Total	(17.4)	(49.1)	(100.7)
Less :			
i) Interest Expense	44.4	46.7	125.7
ii) Other un-allocable expenditure net off un-allocable (income)	(16.0)	46.5	(7.3)
Total Profit / (Loss) before Tax	(45.8)	(142.3)	(219.1)
Capital Employed (Segment Assets - Segment Liabilities)			
- Hardware Products and Solutions	745.8	722.2	722.2
- Services	179.5	205.6	205.6
- Distribution	(44.2)	20.5	20.5
- Learning	16.0	20.3	20.3
Unallocated			
- Liquid Assets	101.6	51.1	51.1
- Others unallocated	1,104.8	1,065.5	1,065.5
Total Capital Employed	2,103.5	2,085.2	2,085.2