



HCL Infosystems Reports Revenue of INR 3,718 Crore in FY 2016 (9 months ended Mar 31, 2016) with positive momentum for Enterprise Business at 34% Y-o-Y growth over the 9 month period

Quarter on Quarter Business Highlights

- Q3 Revenue at Rs. 1,101 Crore; Focus on offering complete suite of product, solutions and services to Enterprises & Partners
- Enterprise Business revenues grew by 19% Q-o-Q from INR 468 Crore in OND 2015 to INR 556 Crore in JFM 2016
- Enterprise Business share in the revenue mix increases from 40% in Q2 FY16 to 50% in Q3 FY16
- Consumer Business revenue at INR 453 Crore, declines 20% due to product rationalization by the major Principal
- Earnings before interest, taxes and exceptional items was INR (30.4) Crore
- Exceptional items for the quarter and year ended March 31, 2016 include impairment charge In respect to Learning Business of Rs. 70 Cr on account of write down of part of the goodwill, which was recognized in the prior years during the process of restructuring of the Company. This write down has no impact on cash flows and brought about due to change in the current business model and changes in the overall business environment for the segment.
- Profit / (Loss) before interest, taxes and after exceptional items was INR (101.5) Crore
- Profit / (Loss) before tax and after exceptional items was INR (140.6) Crore

9-month (July-March FY16) Business Highlights*

- 9-month ended Mar 31, 2016 Revenue at INR 3,718 Crore
- Enterprise products distribution business registered INR 732 Crore revenue
- Consumer distribution business registered revenue of INR 1,893 Crore
- System Integration (SI) and Solutions continued its focus on execution with revenues of INR 404 Crore – order book at Rs. 1180 Crore as on 31st March 2016
- Earnings before interest, taxes and exceptional items was INR (79.8) Crore
- Profit / (Loss) before tax and after exceptional items is INR (253.1) Crore

* HCL Infosystems Ltd. has changed its current Financial Year by shortening it to 9 months i.e. to end on March 31, 2016 (from July 01, 2015 to March 31, 2016) to comply with the requirement of the Companies Act.

New Delhi, 26 May 2016: HCL Infosystems, one of India's premier IT Services, Distribution and Digital Solutions Company, today announced its financial results for the third quarter and for the nine months ended March 31, 2016

Mr. Premkumar, Executive Vice-Chairman and Managing Director, HCL Infosystems Ltd., commenting on the results said, *“Due to focus and investments in the Enterprise Business it has registered robust growth over the last three quarters. However, the ‘de-growth’ of the Consumer Distribution Business significantly impacted profitability. The SI business was on track on execution and commercial enablement for payments.”*

Enterprise Business:

The core Enterprise Business consisting of Enterprise Products Distribution, Domestic Enterprise Services, Global Enterprise Services and Care Services showed positive traction and will be the engine for the Company's next level of growth. The business continued its strong performance, growing 19% Q-o-Q and 34% Y-o-Y in revenues.

The **Enterprise Products Distribution** portfolio was further strengthened with addition of leading international technology brands during the last three quarters. With a differentiated value added distribution proposition, growing strategic partner alliances and channel network, the business is set on a sustainable growth trajectory.

Enterprise Services business kept its focus firm on capability enhancements in the emerging technologies space. The business bagged prestigious deals from major clients, including leading companies in the BFSI sector.

The **Global Services** business continued to register growth in revenue and profitability. The Singapore business won prestigious Tech Refresh and Operating System Upgrade projects. In order to enhance and accelerate growth the business will widen its focus on the private sector, apart from the government projects. HCL Infosystems MEA bagged important Data Centre transformation and Managed Services deals during the quarter.

Consumer Business:

The **Consumer Distribution** business witnessed 20% contraction in Q-o-Q Revenue, affected by continuous telecom product and price rationalization by the Principal especially in the entry-level category.

System Integration (SI) & Solutions:

The SI and Solutions business registered revenue of INR 404 Crore for the three quarters in the financial year with orders worth Rs. 81.24 Crores executed in the JFM 2016 quarter. The total order book size stood at INR 1,180 Crore as on 31st March'16. During the year, major Telecom and Power Projects were progressed for commercial closure. The UIDAI project crossed the milestone of enrollment of more than 100 crore Aadhaars.

The Financial Inclusion business strengthened its initiatives of including unbanked population into the financial services by signing an agreement with a partner to set up e-Mitra Service Centers in Rajasthan.

Awards & Recognitions during JFM 2016

- HCL Infosystems won the "Operational Excellence Award" for Order Management Process at the National Quality Excellence Award in February 2016.
- HCL Care won Asia Retail Excellence award in the 'Mobile and Telecom Service Category' in February 2016.



Earnings Conference Call

We will hold an earnings conference call on 26th May at 4:00 p.m. Indian Standard Time to discuss the performance for the quarter and full year. 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			Audited	Unaudited	Audited
	Q3 FY 16	Q2 FY 16	Q3 FY 15	9M 16	9M 15	FY 15
Gross Sales / Income from Operations	1,100.8	1,146.6	1,376.2	3,718.0	4,509.4	6,194.9
Less: Excise Duty	0.01	0.03	-	0.1	0.1	-
Net Sales / Income from Operations	1,100.8	1,146.6	1,376.2	3,717.9	4,509.3	6,194.9
Other Operating Income	15.7	-	2.2	15.7	3.8	28.9
Expenses						
Cost of materials consumed	0.1	-	1.0	0.1	13.2	13.3
Purchases of Stock-in-trade	735.2	806.2	1,009.4	2,614.5	3,295.2	4,536.1
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	26.3	7.4	15.7	41.1	133.1	169.3
Employee benefits expense	151.5	161.3	144.4	463.6	429.9	582.2
Exchange Differences Loss/ (Gain)	0.8	2.0	0.8	4.0	5.5	6.0
Depreciation and amortisation expense	9.9	11.2	13.0	32.0	39.0	51.9
Other Expenses	233.5	196.4	223.9	687.4	699.0	985.5
Total Expenses	1,157.2	1,184.5	1,408.1	3,842.7	4,614.9	6,344.2
Profit / (Loss) from Operations before Other Income, finance costs and exceptional items	(40.8)	(38.0)	(29.8)	(109.1)	(101.8)	(120.3)
Other Income	12.9	14.6	16.2	41.9	46.1	60.6
Profit / (Loss) from ordinary activities before finance costs and exceptional items	(27.9)	(23.4)	(13.6)	(67.2)	(55.7)	(59.7)
Finance costs	41.6	40.7	36.6	118.7	103.7	142.8
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(69.5)	(64.0)	(50.2)	(185.9)	(159.4)	(202.5)
Exceptional Items loss/ (Gain)	71.1	-	(4.9)	67.2	(25.5)	(28.9)
Profit / (Loss) from ordinary activities before Tax	(140.6)	(64.0)	(45.3)	(253.1)	(133.9)	(173.6)
Tax Expense/ (Credit)	(1.1)	1.7	1.8	1.3	9.4	11.1
Net Profit / (Loss) from ordinary activities after Tax	(139.5)	(65.7)	(47.2)	(254.4)	(143.2)	(184.7)
Extraordinary items (net of tax expense)	-	-	-	-	-	-
Net Profit / (Loss) for the period	(139.5)	(65.7)	(47.2)	(254.4)	(143.2)	(184.7)
Basic EPS (Not annualised) Rs/share	(6.3)	(2.9)	(2.1)	(11.4)	(6.4)	(8.3)

Note :-

Exceptional items for the quarter and year ended March 31, 2016 include impairment charge In respect to Learning Business of Rs. 70 Cr on account of write down of part of the goodwill, which was recognized in the prior years during the process of restructuring of the Company. This write down has no impact on cash flows and brought about due to modification in the current business model and changes in the overall business environment for the segment.

CONSOLIDATED SEGMENT RESULTS

	Rs crores					
	Unaudited			Audited	Unaudited	Audited
	Q3 FY 16	Q2 FY 16	Q3 FY 15	9M 16	9M 15	FY 15
Segment Revenue						
-Hardware Products and Solutions (Gross)	115.1	139.7	215.1	419.0	710.9	957.6
Less: Excise Duty	-	-	-	-	0.1	-
- Hardware Products and Solutions (Net)	115.1	139.7	215.1	419.0	710.9	957.6
- Services	244.1	259.0	249.3	757.7	690.9	948.6
- Distribution	764.4	780.8	938.7	2,609.1	3,191.5	4,373.5
- Learning	4.7	4.8	5.8	16.5	25.9	33.1
Total	1,128.4	1,184.2	1,408.8	3,802.3	4,619.1	6,312.7
Less : Intersegment revenue	27.6	37.6	32.6	84.4	109.8	117.8
Net Sales / Income from Operations	1,100.8	1,146.6	1,376.2	3,717.8	4,509.3	6,194.9
Segment Results (Profit / (Loss) before Tax and Interest from each segment)						
- Hardware Products and Solutions	(10.8)	(10.0)	(22.8)	(31.4)	(94.7)	(105.2)
- Services	(11.9)	(8.4)	(0.4)	(22.6)	(5.9)	(10.2)
- Distribution	8.4	10.1	16.2	24.4	53.5	74.3
- Learning	(7.3)	(7.1)	(5.4)	(21.9)	(22.9)	(29.3)
Total	(21.6)	(15.4)	(12.4)	(51.5)	(70.0)	(70.4)
Less :						
i) Interest Expense	41.6	40.7	36.6	118.7	103.7	142.8
ii) Other un-allocable expenditure net off un-allocable (income)	77.4	7.9	(3.7)	82.9	(39.8)	(39.6)
Total Profit / (Loss) before Tax	(140.6)	(64.0)	(45.3)	(253.1)	(133.9)	(173.6)
Capital Employed (Segment Assets - Segment Liabilities)						
- Hardware Products and Solutions	986.8	947.4	945.8	986.8	945.8	929.6
- Services	225.6	236.8	249.0	225.6	249.0	219.3
- Distribution	25.2	47.6	(13.8)	25.2	(13.8)	39.4
- Learning	22.0	23.7	18.5	22.0	18.5	16.3
Unallocated	-	-	-	-	-	-
- Liquid Assets	51.1	162.1	258.6	51.1	258.6	269.7
- Others unallocated	1,000.8	1,029.7	1,048.4	1,000.8	1,048.4	1,035.7
Total Capital Employed	2,311.5	2,447.3	2,506.6	2,311.5	2,506.6	2,510.1

	Rs crores	
Statement of Assets and Liabilities	Consolidated	
	Audited as at	
	31.03.2016	30.06.2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	45	45
Reserves and surplus	963	1,213
Sub-Total - Shareholders' funds	1,008	1,258
Non Current Liabilities		
Long term Borrowings	542	236
Deferred tax Liabilities	1	1
Other Long term Liabilities	17	20
Long term Provisions	20	14
Sub-Total - Non Current Liabilities	580	271
Current Liabilities		
Short-term borrowings	454	644
Trade payables	888	1,073
Other current liabilities	575	685
Short-term provisions	15	16
Sub-Total - Current Liabilities	1,933	2,418
Total - EQUITY AND LIABILITIES	3,520	3,947
ASSETS		
Non-current assets		
Fixed Assets	221	233
Goodwill on consolidation	511	578
Non-current investments	0	-
Deferred tax assets (net)	0	0
Long-term loans and advances	249	120
Trade receivables	-	-
Other non-current assets	86	154
Sub-Total - Non Current assets	1,067	1,085
Current Assets		
Current investments	50	235
Inventories	214	255
Trade receivables	931	871
Cash and bank balances	218	134
Short-term loans and advances	181	219
Other current assets	859	1,148
Sub-Total - Current assets	2,453	2,862
Total Assets	3,520	3,947