



## HCL Infosystems reports consolidated revenue for the quarter at Rs. 2,138 crores

- Consolidated revenue reported at Rs. 2,138 crores for the quarter ended June 30, 2013, taking the consolidated revenues for the year to Rs.9,295 crores.
  - Revenue from Hardware Products and Solutions business for the quarter was Rs. 748 crores, taking the revenues for the year to Rs. 3,355 crores.
  - Revenue from Services business for the quarter was Rs. 151 crores, taking the revenues for the year to Rs. 577 crores.
  - Revenue from Learning business for the quarter was Rs. 43 crores, taking the revenues for the year to Rs. 91 crores.
  - Revenue from Distribution business for the quarter was Rs. 1,306 crores, taking the revenues for the year to Rs. 5,702 crores.
- Consolidated profit / (loss) from operations before exchange differences and provisions for doubtful debts reported at (Rs. 4 crores) for the quarter ended June 30, 2013, taking the net profit from operations before exchange differences and provisions for doubtful debts for the year to Rs. 57 crores.

**New Delhi, 14<sup>th</sup> August, 2013:** HCL Infosystems India's Premier IT Services, System Integration, Hardware and Distribution Company today announced its financial results for the fourth quarter and Financial Year ended June 30<sup>th</sup>, 2013.

**Mr. Harsh Chitale, Chief Executive Officer, HCL Infosystems Limited, commenting on the results said,** *"The present economic environment provides for a far more muted growth rate and profitability in comparison to the heydays that the industry had witnessed a few years back. We as a company, taking cognizance of this different and challenging business environment has been extensively preparing for the future by investing in new growth opportunities and as well as restructuring our existing businesses."*

*"It was a tough year for us with difficult market conditions for our hardware business, high interest costs and high impairment of overdue receivables coupled with issues like rupee depreciation. One of our growth focus areas, IT Services, has continued to perform well in terms of new customer additions and large-ticket outsourcing deals. Our Distribution, though impacted by decline in Telecom revenues, has been successful in reducing the concentration risk with addition of many Principals in the IT, Consumer Electronics, Office Automation and Lifestyle product categories. This is evident from the fact that our non-Telecom Distribution revenues almost doubled this year compared to last year. With a few recent successful product launches by our Telecom Principal, our Telecom revenues also witnessed upswing in this quarter thereby resulting in our overall Distribution business revenues to grow by 13% Q-o-Q. Our new businesses such as Mobility, Learning and Care gained positive traction in their areas of operations and are in line for a robust growth trajectory. We continued the transformation journey which we started two years ago and undertook multiple initiatives on go-to-market strategy, operations improvement and cost optimization. We took a significant leap forward in our transformation journey this year by initiating the restructuring exercise to align our diverse businesses in different subsidiaries. I am extremely confident that as we begin our new financial year our investments in growth areas and re-tooling of some of the existing businesses will pay-off and lead HCL Infosystems on the path of success"* **Mr. Chitale added.**

## Key Updates and Quarter Snapshot

- Our **IT Solutions & Services business** added many new clients, won many large-size orders and developed a wider set of offerings for the market and is well on track to be one of the largest IT Solutions and Services players in the domestic market.
  - Our **Systems Integration (SI)** business bagged prestigious projects such as DCN (Defence Communications Network) project and the e-Public Distribution System project from the Union Territory of Andaman and Nicobar in the year. Significant orders were gained from Sanjay Gandhi Post Graduate Institute of Medical Sciences (SGPGI), UCO Bank, Central Bank of India, National Board Accreditation (NBA) and Railtel. The Company's prestigious Unique Identification Authority of India (UIDAI) engagement as the Managed Service Provider is on course and in fact completed one year of operations recently. We are also carrying a healthy order book of Rs 4,000 crores for our Systems Integration business as we enter into the next financial year. However, challenges of delay in milestone sign-offs and release of payment by select public sector customers continue to plague the business resulting in cost over-runs, write-offs and interest burden on working capital.
  - Our **Infrastructure Management Services (IMS) & Cloud business** has established itself as a name to reckon with, within the IT services space by winning deals across various verticals such as BFSI, Manufacturing, Healthcare, Hospitality, Government and Utilities. The business achieved ISO 20000 certification for Service Delivery in India and increased the maturity of its Managed Services Offerings by enhancing quality of Sales, Pre-Sales, Practice and Delivery. Some of the key wins this quarter include contracts from JCB, DHFL, Apollo Tyres, Educomp, Punjab & Haryana High Courts, etc. The Microsoft business recorded important new wins for the Office 365 Cloud offering from Dalmia Cements and Mahindra & Mahindra. The IMS business also expanded its customer base in Singapore with a robust order book.
  - Our **Enterprise Application Services (EAS) business** recorded wins both in India and MEA. The team recorded new account wins as well as repeat businesses from clients such as Dena Bank, Hyundai, Reliance Industries Limited, Maharashtra Border Check Post, Sukam, etc. New overseas wins like Qatar Foundation and DP World, and contract renewals from Dubai Airport and Doha Bank were other significant highlights for EAS business.
  - Our **Infrastructure Solutions (ISS)** business achieved a robust growth winning orders from Reserve Bank of India (RBI), Dena Bank, National Informatics Center (NIC), Securities & Exchange Board of India (SEBI), Tata Communications Limited, Orissa Cements Limited, Toyota, Apollo Hospital, Cipla, Sun Pharma, Novartis, Lyca, etc. Another important achievement of the business was to become the only certified HP Network Platinum Partner in India.
- Our **Distribution & Marketing Services business (DDMS)** signed many new partnerships in this quarter including ViewSonic, Molex, Huawei, Datacard, D-link, Unistal, Acer and Simmtronics. The business witnessed significant expansion in its product portfolio in FY 2012-13 with many leading brands across IT, Office Automation, Digital Entertainment and Lifestyle product segments. Our Telecom Business registered a healthy and positive Q-o-Q growth in AMJ'13 owing to robust traction in the First Phone Category as well as in the Windows Phone Category. The Windows Category growth was led by the increase in Nokia Lumia Sales in this quarter. The quarter also saw the launch of the first ULCH (Ultra Low Cost Handset) model Nokia 105 in rural markets across India with first of its kind One year Replacement Guarantee. The business also launched a program for training and development called PRIDE (Personal Responsibility in Delivering Excellence) for grooming and developing a new breed of manpower within HCL and programs for business improvement.



- The **Computing Business** bagged orders from Praj Industries, State Bank of Mysore, State Bank of Travancore, Corporation Bank and State Bank of India. Earlier in the year the business was awarded the contract by Chhattisgarh Government to provide 14,000 units of HCL ME Laptops to final year students in various colleges across Chhattisgarh. Our Computing business has also added many channel partners as part of our refreshed B2B go-to-market strategy whereby we would be increasing our market coverage through a wider set of enterprise channel partners.
- Our **Mobility Business** has been a consistent performer with robust growth and presence across markets like India, Middle East, Africa and Turkey and grew five-fold in FY13. In this quarter, the business launched the HCL ME Tablet Connect 2G 2.0 which is a 7 inch Phablet with Voice calling facility and support in major Indian languages, and the HCL ME Tablet Connect 3G Tablets. The business signed a multi-million dollar sponsorship deal with Turkish Sports Club, Galatasaray to become their official sponsor thereby gaining large brand visibility across the European market.
- **HCL Care**, a new business of the company is fast emerging as the only organized player of credible scale in the country with an integrated service delivery model comprising contact centers, walk-in centers, field force and repair factories. The HCL Care business launched its D2C initiative - Multi Product Multi Brand Break Fix Services, under HCL "TOUCH" brand with 15 HCL owned centers and 150+ Authorized Service Partners across locations in India. The business also signed service partnerships with brands like Samsung, Lenovo, Philips, Emerson etc. HCL Care also expanded Blackberry operations from 3 service centers to 50 service centers in North and East India, with a mix of exclusive and multi-brand locations.
- The **HCL Learning** business is among the few players in the stressed education market which is well on its way to profitability. The business has been prudent in its customer selection, business model and working capital management than blindly chasing the growth. As a result, the business inched closer to break-even and turning profitable in FY14. In this quarter, the business won many orders and added new customers such as Delhi Public School - East of Kailash, Vasant Vihar & Dwarka in Delhi, DPS-Dhanbad, Gowtham Model School & Sriganayatri Educational Institutions in Hyderabad and Euro School & HAL in Mumbai, among many more. The business also developed Digischool Version 6.0 - a more powerful, engaging and interactive learning classroom for schools. We implemented 2,675 classrooms in this quarter taking our total class-room base to 11,400.
- Our **Middle East business**, HCL Infosystems MEA, the company's wholly owned subsidiary won major new wins in EAS including Qatar Foundation, DP World and ENOC. The business also expanded into Qatar and registered early wins in Kingdom of Saudi Arabia and Oman. On the delivery front, the business have completed the first Security project in Saudi Arabia, S4N projects in FEWA (Federal Electricity and Water Authority), RAK Ceramics, and Application migration project in DEWA (Dubai Electricity and Water Authority). The Mobility business had a successful foray in MEA and is already contributing a substantial part of the overall revenue from the region in the very first year of its operations.

### **Awards**

The company won prestigious awards for the following projects -

- Bank of Baroda (BOB) FI Project won the **PC Quest Award** for the best IT project with maximum social impact.
- NBA (National Board of Accreditation) Project won "**PC Quest Best IT Implementation Awards 2013**"
- NBA (National Board of Accreditation)Project won "**Golden peacock eco – Innovation Award**"



- Border Check Post (BCP) project undertaken by the Maharashtra Government won the award for **Best Government to Citizens (G2C) Initiative of the Year** at the e-Maharashtra Summit 2013.

#### **About HCL Infosystems**

HCL Infosystems Ltd. with revenue (LTM) of US\$ 1.6 billion (Rs. 9,295 crores) is India's Premier Technology Company and offers a wide spectrum of IT Services and Products ranging from Cloud to Learning Solutions. As a complete IT solutions provider the company offers comprehensive offerings in Enterprise Application Services, IT Infrastructure Managed Services, System Integration, Office Automation Products and Services, Distribution and Support Services. The company operates in both the Consumer and the Enterprise space – offering the latest mobility products and operating in verticals like BFSI, Telecom, and Healthcare respectively.

HCL Care, the support and service division of the company has one of the largest and most extensive service networks across the country and provides end to end support services for various IT, Telecom and Consumer Electronics products. HCL Infosystems has one of the largest distribution network of digital lifestyle global brands and an unparalleled robust service network in the country including Tier 2 and 3 cities. Digilife Distribution and Marketing Services (DDMS), a 100% subsidiary of HCL Infosystems focuses on multi brand distribution and offers value added distribution for its partners including strategic consulting services, last mile connect and support in marketing and promotions. HCL Learning a division of the company covers the entire spectrum of education and training requirements across schools, colleges, individuals and enterprises and offers rich learning solutions across these segments. HCL Infosystems MEA (Middle East and Africa), a fully owned subsidiary of HCL Infosystems is part of the emerging markets outreach of the company and focuses on expanding the business in the Middle East and African geographies and provides comprehensive IT solutions to customers across verticals in the region. The company also has robust operations in Singapore with its subsidiary HCL Insys Pte. Ltd. gaining traction in the region with its Enterprise solutions including a strong offering in Infrastructure Managed Services.

For more information please visit us at [www.hclinfosystems.in](http://www.hclinfosystems.in)

#### **About HCL**

HCL is a \$6.3 billion leading global technology and IT enterprise comprising two companies listed in India - HCL Technologies and HCL Infosystems. Founded in 1976, HCL is one of India's original IT garage start-ups. A pioneer of modern computing, HCL is a global transformational enterprise today. Its range of offerings includes product engineering, custom & package applications, BPO, IT infrastructure services, IT hardware, systems integration, and distribution of information and communications technology (ICT) products across a wide range of focused industry verticals. The HCL team consists of over 90,000 professionals of diverse nationalities, who operate from 31 countries including over 720 points of presence in India. HCL has partnerships with several leading global 1000 firms, including leading IT and technology firms.

For more information, please visit [www.hcl.com](http://www.hcl.com)