



HCL Infosystems reports consolidated revenue of Rs. 1147 Crore for Quarter ending 31st December, 2015. Enterprise Business grows 35% YoY, Consumer Business under pressure

Business Highlights for the Quarter

- Registers Revenue of Rs. 1147 crore in Q2 FY16
- Enterprise business revenue increases 35% Y-o-Y
- Consumer business revenue contracts by 37% Y-o-Y

New Delhi, 25 January 2016: HCL Infosystems, India's premier Distribution, IT Services and Solutions Company, today announced its financial results for the second quarter ended December 31, 2015.

Mr. Premkumar Seshadri, Executive Vice-Chairman and Managing Director, HCL Infosystems Ltd., said, *"Our focus and investments in the enterprise business continues to be on track, the consumer business of telecom was affected due to portfolio rationalization by the Principal especially at the low end phone segment. The System Integration business continued executing to the plan and Financial Inclusion business is reaching maturity."*

Enterprise Business:

The Enterprise Business consisting of Enterprise Products Distribution, Domestic Enterprise Services, Global Enterprise Services and Care Services poised for growth.

- **Enterprise Products Distribution** puts up a strong performance with 6% Q-o-Q and 74% Y-o-Y growth in revenues. The business added leading international technology and consumer electronics brands to its portfolio. With focus on value added distribution, after-sales service and Centres of Excellence, the business is poised for a robust growth.
- **Enterprise Services (Domestic & Global)**
The business registered a growth of 1% Q-o-Q and 16% Y-o-Y in revenues with continued investments towards building capability to address the emerging services in this space. The Global business continues to show growth in revenue and profitability.
- **Care**
HCL Care Services business entered into strategic tie-ups with leading OEMs across the Mobility, Consumer Electronics and e-commerce space. As the next step in providing service offerings, the business is tying up with major OEMs for setting up Exclusive Service Centres.

Consumer Businesses:

- In this quarter the revenues of **Consumer Distribution** business were affected due to portfolio rationalization by the Principal, especially at the low-end phone segment. The business strengthened association with the Principal, adding new products and distribution channels to its portfolio.

System Integration (SI)

Orders worth Rs. 152 Cr executed in the quarter. Further, major Defense Projects were enabled for commercial closure and good progress was achieved in Power Projects. The UIDAI project continued to progress well with an enrollment of more than 95.26 crore as on 31st December 2015.

Financial Inclusion (FI)

FI business achieved a robust 54% Y-o-Y growth in revenue, coupled with strong growth in order pipeline. The business also achieved ISO 9001:2008 certification which provides for process excellence and stronger industry presence for ICT solutions in the domain of Financial Inclusion.

Awards & Recognitions during OND FY2015-16

- HCL Consumer Services won **CMO Global Marketing Excellence Awards in Retail and Telecom Services** category
- HCL Infotech won the '**Data Centre Initiative of the Year**' award for its outstanding contribution as a technology infrastructure and service partner to the Government of Madhya Pradesh.

Earnings Conference Call

We will hold an earnings conference call on 27th January at 4:30 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 India's premier IT Services, Solutions & Distribution Company enabling organizations to attain and sustain competitive advantage by leveraging Information and Communication Technologies. It is a leader in IT Services & Solutions with a comprehensive portfolio of capabilities spanning IT & System Integration services and digitally-enabled learning and career development solutions to value-added distribution of Technology & Mobility 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 Group has presence across varied sectors that includes technology, healthcare and talent management solutions and comprises four companies - HCL Infosystems, HCL Technologies, HCL Healthcare and HCL TalentCare. The group generates annual revenues of over US\$ 6.5 billion with more than 110,000 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

	Unaudited			Audited
	Q2 FY 15	Q1 FY 16	Q2 FY 16	FY 15
Gross Sales / Income from Operations	1,450.5	1,470.6	1,146.6	6,194.9
Less: Excise Duty	-	-	-	-
Net Sales / Income from Operations	1,450.5	1,470.6	1,146.6	6,194.9
Other Operating Income	1.6	-	-	28.9
Expenses				
Cost of materials consumed	4.5	-	-	13.3
Purchases of Stock-in-trade	1,020.6	1,073.1	806.2	4,536.1
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	50.2	7.5	7.4	169.2
Employee benefits expense	142.5	150.8	161.3	582.2
Exchange Differences Loss/ (Gain)	1.9	1.2	2.0	6.0
Depreciation and amortisation expense	12.7	10.9	11.2	51.9
Other Expenses	251.1	257.5	196.4	985.5
Total Expenses	1,483.6	1,501.0	1,184.5	6,344.2
Profit / (Loss) from Operations before Other Income, finance costs and exceptional items	(31.5)	(30.4)	(38.0)	(120.3)
Other Income	15.2	14.4	14.6	60.6
Profit / (Loss) from ordinary activities before finance costs and exceptional items	(16.3)	(16.0)	(23.4)	(59.7)
Finance costs	34.7	36.4	40.7	142.8
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	(51.0)	(52.4)	(64.0)	(202.5)
Exceptional Items loss/ (Gain)	(1.5)	(3.9)	-	(28.9)
Profit / (Loss) from ordinary activities before Tax	(49.5)	(48.5)	(64.0)	(173.6)
Tax Expense/ (Credit)	1.3	0.7	1.7	11.1
Net Profit / (Loss) from ordinary activities after Tax	(50.8)	(49.2)	(65.7)	(184.7)
Extraordinary items (net of tax expense)	-	-	-	-
Net Profit / (Loss) for the period	(50.8)	(49.2)	(65.7)	(184.7)
Basic EPS (Not annualised) Rs/share	(2.3)	(2.2)	(2.9)	(8.3)

CONSOLIDATED SEGMENT RESULTS

	Unaudited			Rs crores
				Audited
	Q2 FY 15	Q1 FY 16	Q2 FY 16	FY 15
Segment Revenue				
-Hardware Products and Solutions (Gross)	202.5	164.3	139.6	957.6
Less: Excise Duty	-	-	-	-
- Hardware Products and Solutions (Net)	202.5	164.3	139.6	957.6
- Services	230.3	254.6	259.0	948.5
- Distribution	1,028.0	1,063.9	780.8	4,373.5
- Learning	7.5	7.0	4.8	33.1
Total	1,468.3	1,489.8	1,184.2	6,312.7
Less : Intersegment revenue	17.8	19.2	37.6	117.8
Net Sales / Income from Operations	1,450.5	1,470.6	1,146.6	6,194.9
Segment Results (Profit / (Loss) before Tax and Interest from each segment)				
- Hardware Products and Solutions	(23.9)	(10.6)	(10.0)	(105.2)
- Services	(4.3)	(2.3)	(8.4)	(10.2)
- Distribution	16.8	5.9	10.1	74.3
- Learning	(8.3)	(7.5)	(7.1)	(29.3)
Total	(19.8)	(14.5)	(15.4)	(70.4)
Less :				
i) Interest Expense	34.7	36.4	40.7	142.8
ii) Other un-allocable expenditure net off un-allocable (income)	(4.9)	(2.4)	7.9	(39.6)
Total Profit / (Loss) before Tax	(49.5)	(48.5)	(64.0)	(173.6)
Capital Employed (Segment Assets - Segment Liabilities)				
- Hardware Products and Solutions	903.4	895.4	947.4	929.6
- Services	262.7	229.6	236.8	219.3
- Distribution	(71.7)	35.4	47.6	39.4
- Learning	15.2	20.1	23.7	16.3
Unallocated	-	-	-	-
- Liquid Assets	265.8	223.2	162.1	269.7
- Others unallocated	1,069.1	1,058.3	1,029.7	1,035.8
Total Capital Employed	2,444.5	2,462.0	2,447.3	2,510.1

	Rs crores	
Statement of Assets and Liabilities	Consolidated	
	Audited as at	
	31.12.2015	30.06.2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	45	45
Reserves and surplus	1,102	1,213
Sub-Total - Shareholders' funds	1,147	1,258
Non Current Liabilities		
Long term Borrowings	360	236
Deferred tax Liabilities	1	1
Other Long term Liabilities	18	20
Long term Provisions	16	14
Sub-Total - Non Current Liabilities	395	271
Current Liabilities		
Short-term borrowings	626	644
Trade payables	1,026	1,073
Other current liabilities	596	685
Short-term provisions	14	16
Sub-Total - Current Liabilities	2,262	2,418
Total - EQUITY AND LIABILITIES	3,804	3,947
ASSETS		
Non-current assets		
Fixed Assets	223	233
Goodwill on consolidation	580	578
Long-term loans and advances	208	121
Other non-current assets	110	154
Sub-Total - Non Current assets	1,121	1,086
Current Assets		
Current investments	150	235
Inventories	236	255
Trade receivables	994	904
Cash and bank balances	159	134
Short-term loans and advances	245	219
Other current assets	899	1,114
Sub-Total - Current assets	2,683	2,861
Total Assets	3,804	3,947