

HCL INFOSYSTEMS LTD.

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Corporate Identity Number - L72200DL1986PLC023955

www.hclinfosystems.com

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31st May, 2017

To

The Assistant Vice President,
National Stock Exchange of India Limited,
"Exchange plaza"
Bandra-Kurla Complex,
Bandra (East)
Mumbai-400051

To

The Secretary,
BSE Limited,
P.J.Tower
Dalal Street
Fort
Mumbai-400001

Sub: Press Release.

Symbol: NSE : HCL-INSYS
BSE (For Physical Form): 179
BSE (For Electric Form): 500179

Dear Sirs,

We are forwarding a copy of the press release being made by HCL Infosystems Limited on the audited financial results of the Company for the financial year ended 31st March, 2017.

Please take this on record.

Very Truly Yours,

For HCL Infosystems Limited


Sushil Kumar Jain
Company Secretary



Encl: As above.

HCL Infosystems Reports Revenue of Rs 3,738 Crore in FY 2017

Q4 revenue growth of 8% Q-o-Q

Q4FY17 revenue increases to Rs. 823 crore from Rs. 765 crore in Q3FY17
Strong performance by Enterprise Business offsets Consumer business contraction

May 30, 2017, New Delhi

Quarter on Quarter Business Highlights

- Q4 FY17 revenue was Rs. 823 Cr vs. Rs. 765 Cr in Q3 FY17, an increase of 8% Q-o-Q
- Enterprise Business revenue grew 16% from Rs. 490 Cr in Q3 to Rs. 566 Crore in Q4
 - Enterprise Products Distribution witnessed revenue growth of 31%
 - Enterprise Services witnessed revenue decline of 1% due to contract rationalization
- Consumer Business revenue at Rs. 163 Cr, declines 26% due to our transition to multi-brand strategy and challenging market conditions
- Loss before interest, tax & exceptional items for Q4 was Rs. (22.1) Cr vs. Rs. (16.6) Cr in Q3, the increase is primarily due to the System Integration business
- Exceptional items for the quarter include impairment of goodwill for Rs. 11 Cr and Rs. 50 Cr for Learning and Services businesses respectively. This has no impact on cash flows.
- Loss before tax and after exceptional items for Q4 was Rs. (131.9) Cr vs. Rs. (65.8) Cr in Q3

Business Highlights for FY2017

- Revenue at INR 3,738 Cr
- Enterprise products distribution business registered revenue of Rs. 1,168 Crore with a growth of 20% Y-o-Y. PBIT loss improved to Rs. (8.9) Cr in FY17 from Rs. (32.3) Cr in twelve months ending March 2016. Business became EBITDA positive in the last quarter of FY17
- The Enterprise Business as a whole grew marginally from Rs. 1,970 Cr in twelve months ending March 2016 to reach Rs. 2,117 Cr in the FY17.
- The transformation initiatives in the Domestic Services business during the year (including rationalization of contracts, exit of unprofitable units, variabalisation and optimization of costs) resulted in a decline in revenue Q-o-Q. However, the losses of the overall Services Business declined consistently Q-o-Q. The new order book is showing a healthy trend.
- Consumer distribution business registered revenue of Rs. 1,298 Cr
- System Integration (SI) and Solutions focused on effective execution with revenue of Rs. 355 Cr
- Loss before interest, taxes and exceptional items was Rs. (41.4) Cr
- Loss before tax & after exceptional items for the year was Rs. (292.7) Cr

HCL Infosystems, one of India's premier IT Services, Distribution and Digital Solutions Company, today announced its financial results for the financial year ended March 31, 2017.

Mr. Premkumar, Executive Vice-Chairman and Managing Director, HCL Infosystems Ltd., commenting on the results said, *"Our sustained augmented focus & investments in the Enterprise space has been clearly working well as seen from the continued growth and profitability, thereby reducing impact due to planned transition of the consumer business model."*

Enterprise Business

The core Enterprise Business consisting of Enterprise Products Distribution, Domestic Enterprise Services, Global Enterprise Services and Care Services continued on its positive growth track, with 16% Q-o-Q increase in revenue. The business is building capabilities in Cloud, Internet of Things, Analytics and other emerging technologies to leverage the significant high-growth and high-margin opportunities in the digital enterprise technologies space.

The Enterprise Products Distribution business gained business traction with leading global OEM partners and Channel Partners. The business improved operational efficiency and enhanced productivity during Q4 FY17.

The Enterprise Services business (comprising Domestic Services, Global Services and Care Services) clocked revenue of Rs. 949 crore in FY17. Service delivery excellence led to new deals coming through OEMs. Contract rationalization and productivity improvement initiatives in the business have resulted in lowering of loss before interest and taxes to Rs. (5.6) Cr in Q4 FY17 (JFM 17) from Rs. (19.6) Cr in Q3 FY16 (JFM 16).

The Global Services business continued to register growth in revenue and profitability. The Singapore business was awarded a prestigious project to provide IT Managed Services to the Government of Singapore over an eight-year period. Process and productivity improvements resulted in increased customer satisfaction scores and improved margins.

Consumer Business

The Consumer Distribution business forayed into a Multi-Brand Telecom Distribution model, winning a distributorship deal from a leading mobility company.

Revenue declined from Rs. 221 Cr in Q3 FY17 to Rs. 163 Cr in Q4 FY17. Gradual transition from the single brand distribution model and a highly competitive landscape impacted revenues.

System Integration (SI) & Solutions

The SI and Solutions business registered revenue of Rs. 355 Cr during the year. The total order book size stood at Rs. 880 Cr as on 31st March 2017. The focus remained on completion of major projects and collection of receivables. The UIDAI project crossed the milestone of enrollment of more than 113 crore Aadhaar cards.

HCL Learning

HCL Learning entered into a strategic arrangement with Everest Edusys and Solutions Pvt Ltd through a business transfer agreement for the slump sale of its Digischool business. Subsequent to the closure of the said acquisition, M/s Everest Edusys and Solutions Pvt Ltd would become an associate company of HCL Learning Ltd.

Other Highlights (JFM Q4 FY2017)

HCL Infosystems and its subsidiaries - HCL Services Ltd. And HCL Insys Pte Ltd. - achieved the Oracle Platinum Partner status in Oracle PartnerNetwork in March 2017 for in-depth expertise in selling and implementing Oracle solutions for clients.

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 to value-added distribution of technology, mobility and consumer products. For more information, please visit us at www.hclinfosystems.in; follow HCL Infosystems on Twitter at [@HCLScribes](https://twitter.com/HCLScribes)

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 its presence across varied sectors that include technology, healthcare and talent management solutions. The organization, as a whole, comprises of four companies - HCL Infosystems, HCL Technologies, HCL Healthcare and HCL TalentCare. The enterprise generates annual revenue of over US\$ 7 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

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