

31st May, 2019

To

The General Manager Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	The Vice President Listing Department The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051
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Sub: Investor Conference call update Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Dear Sirs,

Pursuant to Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby wish to inform you that the Investor conference call was held today i.e., 31st May, 2019 where we invited public shareholders at large.

We request you to kindly take this on your records as per the requirement of Listing Regulations and oblige.

The Investor Presentation is enclosed.

Very Truly Yours,
For HCL Infosystems Limited

Sushil Kumar Jain
Company Secretary

Encl: As above.

HCL Infosystems Limited

Q4 & FY19 Investor Update

31st May 2019

HCL

Disclaimer

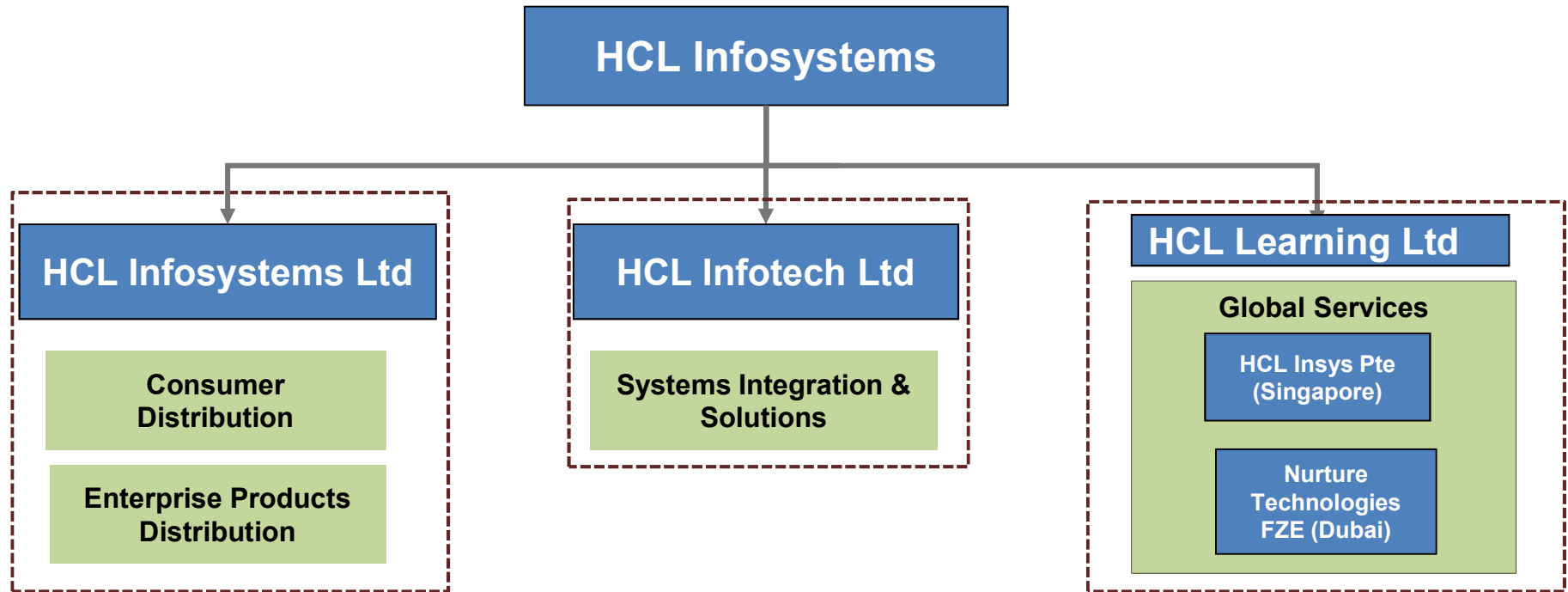
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The enclosed financials provide a line of business wise view based on unaudited management accounts to provide more granularity and are not as per reported segments.

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Organisation Structure



Business Unit

Legal entity

FY19 Update

Business Highlights

- FY19 revenue was Rs. 4,340 Crore vs. Rs. 3,565 Crore in FY18
- Distribution business revenue for FY19 was Rs. 3,722 Crore vs. Rs 3,017 Crore in FY18
 - Enterprise Distribution revenue was Rs. 1,704 Crore in FY19 vs. Rs. 1,525 Crore in FY18
 - Consumer Distribution revenue was Rs. 2,018 Crore in FY19 vs. Rs. 1,492 Crore in FY18
- Global Services business revenue for FY19 was Rs. 486 Crore vs. Rs. 376 Crore in FY18
- In SI projects, the pending order book size stood at Rs. 460 Crore as on 31st March 2019. During this financial year, we collected Rs. 310 Crore from our SI projects
- Profit / (Loss) before interest, tax and exceptional items was Rs. (25.6) Crore in FY19 vs. Rs. (35.5) Crore in FY18

Q4FY19 Update

Business Highlights

- Q4FY19 revenue was Rs. 1,011 Crore vs. Rs. 1,058 Crore in Q4FY18
- Distribution business revenue was Rs. 845 Crore in Q4FY19 vs. Rs. 908 Crore in Q4FY18
 - Enterprise Distribution revenue was Rs. 432 Crore in Q4FY19 vs. Rs. 444 Crore in Q4FY18
 - Consumer Distribution revenue was Rs. 413 Crore in Q4FY19 vs. Rs.464 Crore in Q4FY18
- Global Services business revenue was Rs. 142 Crore in Q4FY19 vs. Rs. 101 Crore in Q4FY18
- Profit / (Loss) before interest, tax & exceptional items was Rs. (14.5) Crore in Q4FY19 vs. Rs. (18.4) Crore in Q4FY18

Q4FY19 Update

System Integration and Solutions

In System integration and Solution business, we are facing challenges and delays in customer acceptances and payments, especially in the Power sector.

The delay in realization of SI receivables has impacted the capacity of the Company to invest in other businesses which have the potential for growth. However we continue to derive efficiencies and find alternate ways to the extent possible to overcome such challenges.

Monetization of Real Estate Assets

In order to reduce our debt obligations, we have decided to monetize company owned properties in a phased manner. Several of our properties are not being fully utilized due to changes in the business of the Company. Therefore, the board has approved the sale of two Company owned properties located in Noida and one property located in Pune.

Q4 P&L– Snapshot of continuing operations

Unaudited ₹ crores

Q4 FY19	Particulars	Distribution	Global Services	Learning	SI & Solutions	Unallocated / Eliminations	Total	Q3	Q2	Q1
1	Consolidated Revenue	845	142	53	30	(9)	1,011	1,117	1,084	1,129
2	Profit / (Loss) before provision for doubtful debts / write-off and expected credit loss	2.0	12.8	2.2	(5.1)	(4.3)	7.6	16.5	(9.7)	(7.8)
3	Provision for doubtful debts / write-off and expected credit loss	0.1	(0.3)	0.0	33.8	0.0	33.6	23.2	1.1	4.3
4	Other Income	1.2	0.5	2.2	0.0	7.6	11.5	7.2	6.5	4.8
5	Profit / (Loss) before Interest and Tax (2-3+4)	3.1	13.6	4.4	(38.9)	3.3	(14.5)	0.5	(4.3)	(7.3)
6	Net Finance Cost						25.0	28.1	28.6	32.2
7	Profit / (Loss) Before Tax						(39.5)	(27.6)	(32.9)	(39.5)
Q3	Profit / (Loss) before Interest and Tax (2-3+4)	5.0	6.8	5.1	(14.7)	(1.7)	0.5			
Q2	Profit / (Loss) before Interest and Tax (2-3+4)	2.3	5.1	1.4	(10.3)	(2.8)	(4.3)			
Q1	Profit / (Loss) before Interest and Tax (2-3+4)	0.7	3.6	(0.4)	(11.0)	(0.2)	(7.3)			

- Overall revenue for the quarter was Rs. 1,011 cr
- Provisions in the quarter were Rs. 33.6 cr mainly in SI business
- Net Finance Cost decreased to Rs. 25.0 cr in Q4

- The Profit / (Loss) before tax was Rs. (39.5) cr in Q4
- Shared IP monetization of content in the Learning Business for Rs 2.5 cr in Q4

Q4 P&L– Snapshot of continuing operations

Unaudited ₹ crores

Q4 FY19	Particulars	Consumer Distribution	Enterprise Distribution	Global Services	Learning	SI & Solutions	Unallocated / Eliminations	Total	Q3	Q2	Q1
1	Consolidated Revenue	413	432	142	53	30	(9)	1 1011	1,117	1,084	1,129
2	Profit / (Loss) before provision for doubtful debts / write-off and expected credit loss	1.9	0.1	12.8	2.2	(5.1)	(4.3)	7.6	16.5	(9.7)	(7.8)
3	Provision for doubtful debts / write-off and expected credit loss	(0.1)	0.2	(0.3)	0.0	33.8	0.0	2 33.6	23.2	1.1	4.3
4	Other Income	0.0	1.2	0.5	2.2	0.0	7.6	11.5	7.2	6.5	4.8
5	Profit / (Loss) before Interest and Tax (2-3+4)	2.0	1.1	13.6	4.4	(38.9)	3.3	(14.5)	0.5	(4.3)	(7.3)
6	Net Finance Cost							3 25.0	28.1	28.6	32.2
7	Profit / (Loss) Before Tax							4 (39.5)	(27.6)	(32.9)	(39.5)
Q3	Profit / (Loss) before Interest and Tax (2-3+4)	4.6	0.4	6.8	5.1	(14.7)	(1.7)	0.5			
Q2	Profit / (Loss) before Interest and Tax (2-3+4)	2.4	(0.1)	5.1	1.4	(10.3)	(2.8)	(4.3)			
Q1	Profit / (Loss) before Interest and Tax (2-3+4)	(0.9)	1.6	3.6	(0.4)	(11.0)	(0.2)	(7.3)			

- Overall revenue for the quarter was Rs. 1,011 cr
- Provisions in the quarter were Rs. 33.6 cr mainly in SI business
- Net Finance Cost decreased to Rs. 25.0 cr in Q4

- The Profit / (Loss) before tax was Rs. (39.5) cr in Q4
- Shared IP monetization of content in the Learning Business for Rs 2.5 cr in Q4

FY19 P&L – Snapshot of continuing operations

Unaudited ₹ crores

FY19	Particulars	Consumer Distribution	Enterprise Distribution	Global Services	Learning	SI & Solutions	Unallocated / Eliminations	Total	FY18
1	Consolidated Revenue	2,018	1,704	486	511	134	(13)	¹4,340	3,565
2	Profit / (Loss) before provision for doubtful debts / write-off and expected credit losses	9.6	0.5	27.2	6.7	(15.6)	(21.8)	6.6	(28.6)
3	Provision for doubtful debts / write-off and expected credit losses	1.5	1.3	(0.2)	0.0	59.6	0.0	²62.2	35.5
4	Other Income (including exceptional items)	0.0	3.8	1.7	3.8	0.3	20.4	30.0	28.6
5	Profit / (Loss) before Interest and Tax (2-3+4)	8.1	3.0	29.1	10.5	(74.9)	(1.4)	(25.6)	(35.5)
6	Net Finance Cost							³113.9	136.6
7	Profit / (Loss) Before Tax							⁴(139.5)	(172.1)
8	Exceptional Item (Goodwill write-off for Learning)							0.0	31.4
9	Profit / (Loss) Before Tax & after Exceptional Items							(139.5)	(203.5)
FY18	Profit / (Loss) before Interest and Tax (2-3+4)	1.1	12.2	21.7	(14.6)	(47.7)	(8.2)	(35.5)	

- Overall revenue for the year was Rs. 4,340 cr
- Provisions in the year were at Rs. 62.2 cr mainly in SI and Solution business
- Net Finance Cost decreased to Rs. 113.9 cr in FY 19

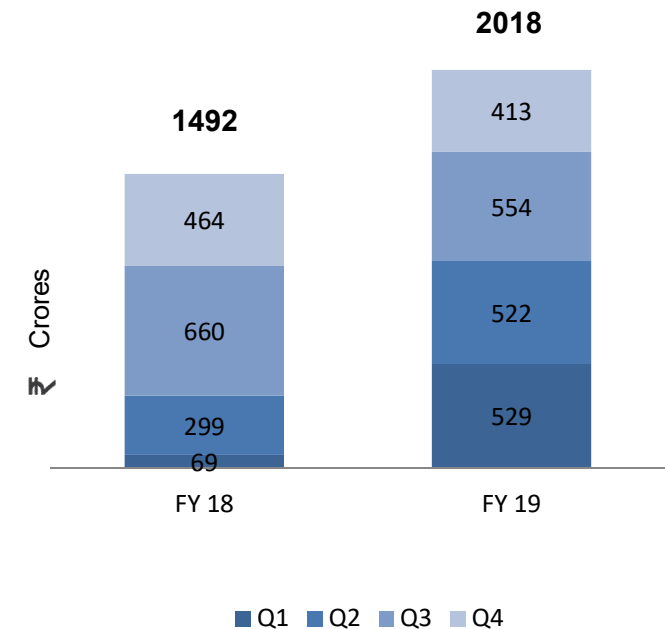
- The Profit / (Loss) before tax was Rs. (139.5) cr in FY 19
- Shared IP monetization of content in the Learning Business for Rs 8.5 cr in FY 19

The above numbers provide a line of business wise view based on unaudited management accounts to provide more granularity and are not as per reported segments.

Consumer Distribution

- FY 19 revenue was Rs. 2,018 Crore vs. Rs. 1,492 Crore in FY18
- Q4FY19 revenue was Rs. 413 Crore vs. Rs. 554 Crore in Q3FY19
- The business continued to leverage its transition into a multi-brand multi-channel model from single brand
- The business made inroads in the Telecom Service Provider Channel and in the e-Brandstore segment
- E-commerce channel is a key focus area for the business
- New models by Principals were also successfully launched
- The partnership with HMD Global for Nokia devices continued to contribute to the business

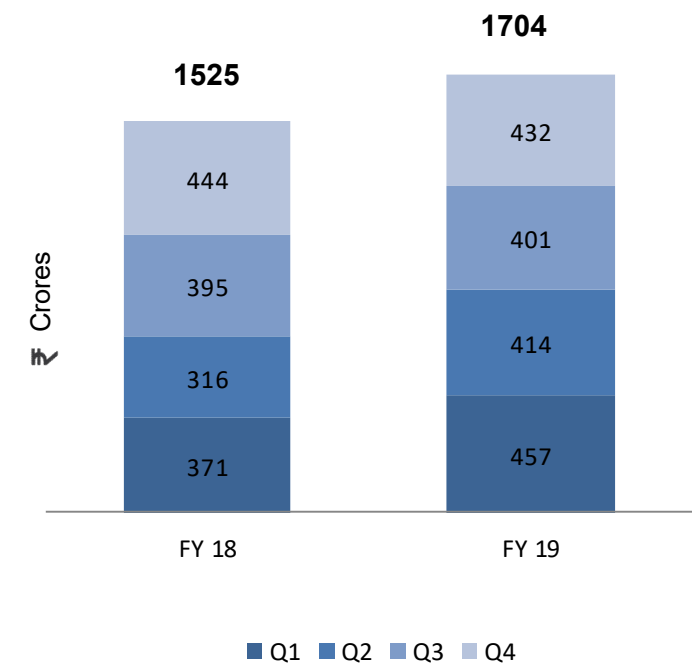
Consumer Distribution Revenue



Enterprise Distribution

- FY 19 revenue was Rs. 1,704 Crore vs. Rs. 1,525 Crore in FY18
- Q4FY19 revenue was Rs. 432 Crore vs. Rs. 401 Crore in Q3FY19
- Channel Business was the key contributor to the revenue
- Enterprise Distribution also directly provided technology solutions to customers by leveraging its strategic alliances with global technology companies.
- There was a focus in the year to build capabilities for providing solutions for Enterprise IT Infrastructure as well as for the Digital Enterprise.

Enterprise Distribution Revenue



Distribution

Unaudited ₹ crores

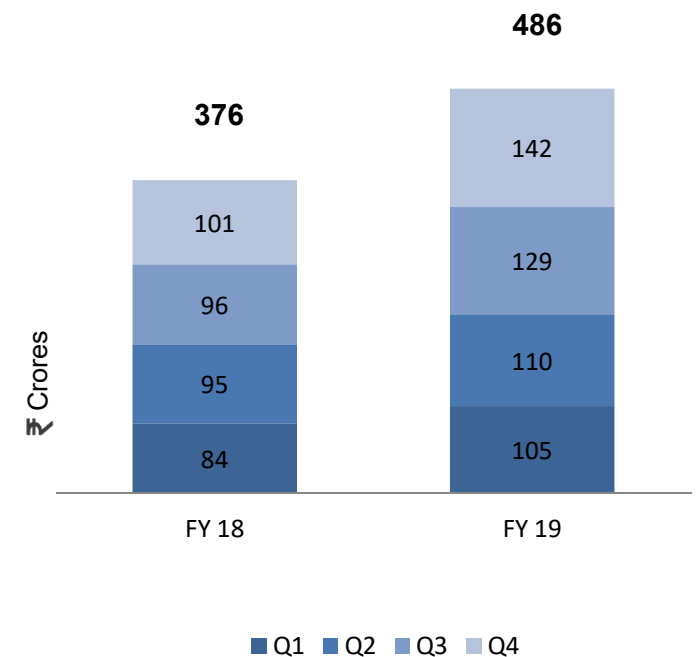
S.No.	Particulars	Q4 FY18 JFM	Q3 FY19 OND	Q4 FY19 JFM
1	Consolidated Revenue	908	955	845
2	Profit / (Loss) before provisions for doubtful debts / write-off and expected credit loss	(2.1)	5.1	2.0
3	Provisions for doubtful debts / write-off and expected credit loss	(1.6)	0.8	0.1
4	Other Income	0.3	0.7	1.2
5	Profit / (Loss) before Interest and Tax (2-3+4)	(0.2)	5.0	3.1

The above numbers provide a line of business wise view based on unaudited management accounts to provide more granularity and are not as per reported segments.

Global Services

- FY 19 revenue was Rs. 486 Crore vs. Rs. 376 Crore in FY18
- Q4FY19 revenue was Rs. 142 Crore vs. Rs. 129 Crore in Q3FY19
- The business focused on automation initiatives in the End User & Computing and Data Centre spaces.
- In terms of capability building, employees were given training in Datacenter and Networking Technologies as a part of the skill enhancement plan of the company.

Global Services Revenue*



* Revenue from Continuing operations

Global Services

Unaudited ₹ crores

S.No.	Particulars	Q4 FY18 JFM	Q3 FY19 OND	Q4 FY19 JFM
1	Consolidated Revenue	101	129	142
2	Profit / (Loss) before provisions for doubtful debts / write-off and expected credit loss	3.7	6.3	12.8
3	Provisions for doubtful debts / write-off and expected credit loss	0.8	0.0	(0.3)
4	Other Income	1.9	0.5	0.5
5	Profit / (Loss) before Interest and Tax (2-3+4)	4.8	6.8	13.6

The above numbers provide a line of business wise view based on unaudited management accounts to provide more granularity and are not as per reported segments.

System Integration and Solutions

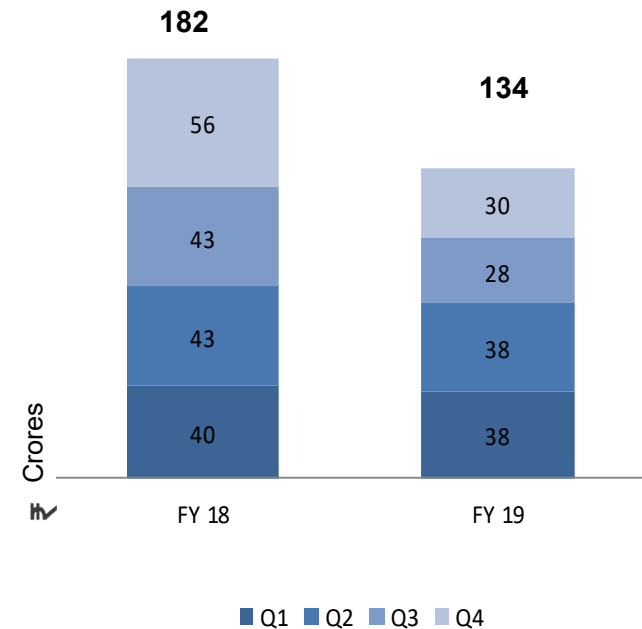
Pending order book at ~ Rs. 460 Cr

- Build phase ~ Rs. 60 Cr
- Managed Services ~ Rs. 40 Cr
- Support Services & Annuity ~ Rs. 360 Cr

The System integration and Solution business continued to focus on the execution of the current order book and collection of receivables. The team continued to work with customers including Government and Defence sectors in major mission critical projects.

We have been stating in our earlier releases that certain large orders in the SI business, especially in the Power sector, are facing the challenge of inordinate delays in customer acceptances and payments. We are continuously engaging with customers to resolve these issues. However we continue to face challenges and have had limited success so far. During the quarter, we have provided for Rs. 33.8 Crore on account of such receivables.

SI & Solutions Revenues



System Integration and Solutions

Unaudited ₹ crores

S.No.	Particulars	Q4 FY18 JFM	Q3 FY19 OND	Q4 FY19 JFM
1	Consolidated Revenue	56	28	30
2	Profit / (Loss) before provisions for doubtful debts / write-off and expected credit loss	(10.4)	7.7	(5.1)
3	Provisions for doubtful debts / write-off and expected credit loss	9.4	22.4	33.8
4	Other Income	2.5	0.0	0.0
5	Profit / (Loss) before Interest and Tax (2-3+4)	(17.3)	(14.7)	(38.9)

SI & Solutions –

SI revenue and margins vary based on achievement of project milestones and project mix

Monetization of Real Estate Assets

In order to reduce our debt obligations, we have decided to monetize company owned properties in a phased manner. Several of our properties are not being fully utilized due to changes in the business of the Company. Therefore the board has approved the sale of two company owned properties located in Noida and one property located in Pune, proceeds of which will be utilized in entirety to repay our loans. The net value of Rs. 14.36 crores of these properties as of 31.03.2019 has been classified and disclosed as assets held for sale.

Pursuant to the Board's approval, the Company entered into agreement to sell the property situated at G-8,9&10, Sector 3, Noida on 21.05.2019 and the property situated at B-13&14, Sector 3, Noida on 28.05.2019 subject to approval from Noida authority. As of 31.03.2019, the combined book value of two properties is Rs.0.88 crores and the sale value of the properties is Rs. 13.68 crores.

Questions?

Please join Q&A Session on Audio Conference

Primary Dial in Access Toll Free Number – 1800 102 9810

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**HCL Infosystems - Investor Relations
Sumeet Ahluwalia**

sumeet.ahluwalia@hcl.com

