

Business Standard

HCL's Q4 income more than doubles

CEO Vineet Nayar terms year as a 'remarkable' one

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Beating market expectations and getting a boost by foreign exchange gains of Rs 69 crore and increased operating margins, Delhi-based information technology services and software exporter HCL Technologies posted a net income of Rs 330 crore for the fourth quarter ended June 30. The net income doubled (134 per cent) year-on-year from Rs 141 crore.

Revenue in the quarter was 2,908.5 crore, up 34.7 per cent, from Rs 2,158 crore in the corresponding quarter last year.

"The past year has been remarkable for us. We accelerated our investments in growth in enterprise application services, emerging geographies and new verticals. The early indicators of these investments are showing in our diversified business portfolio, thought leadership and improving market share and, most importantly, in employee satisfaction," said Vineet Nayar, CEO.

Sequentially, HCL Tech's net income rose 51.3 per cent from Rs 218 crore in the previous quarter ended March 30. Revenue was up 1.6 per cent quarter-on-quarter from Rs 2,861 crore.

"The HCL Tech results are above expectations on revenues and operating margins. The 3.9 per cent revenue growth in constant currency terms was a positive surprise. Ebitda (earnings before interest, depreciation, taxes and amortisation) margins improved on better utilisation levels and control on SG&A (selling, general and administrative expenses). Lower forex loss also helped in reporting a QoQ growth in PAT (profit after tax)," said Dipen Shah, IT analyst & VP - PCG (Research), Kotak Securities.

For the full year ended June 30, the company had a net income of Rs 1,278 crore, up 13.6 per cent from Rs 1,124 crore in the last year. The company's full year revenue at Rs 10,591 crore, was up 40 per cent from Rs 7,567 crore in the previous financial year.

The firm reported a foreign exchange loss of Rs 246 crore in the year and has \$813 million (around Rs 3,984 crore) of hedges for the next five quarters. The net addition of employees in the year was 3,475, taking headcount to 54,216. It has around \$400 million (Rs 1,960 crore) of cash on the balance sheet.

HCL Tech's stock rose 5.88 per cent to close at Rs 307 on the Bombay Stock Exchange's Sensex.