

# 'We are becoming a hardware, software and outsourcing company'

Hardware and systems integrator HCL Infosystems' third quarter saw an increase in net profit but a fall in revenue due to the churn in the telecom sector. Its major client, Nokia, witnessed stiff competition from low-end players and those with dual SIMs. AJAI CHOWDHRY, the chairman and CEO, tells **Kirtika Suneja** the company is continuing with its transformational journey and going beyond the domestic hardware player it had been till now. Edited excerpts:

## Q&A

### Ajai Chowdhry

Chairman & CEO,  
HCL Infosystems

#### What is the company's transformational journey all about?

From a domestic hardware player, we are now becoming

a hardware, software and outsourcing company. We are also expanding internationally in the Middle East, Southeast Asia and Africa. We are looking for acquisitions, too. Recently, we bought 25 acres of land in Greater Noida and are opening other service facilities in Mohali, Jaipur and Pondicherry. We have launched 30 products in different segments of the markets and are now a software and a hard-

ware company.

#### What kind of acquisitions are you scouting for?

We are deeply discussing mergers and acquisitions to acquire service business, customers, skills and get into geographies. We are deeply negotiating with many companies for a big acquisition. There would be two types of acquisitions. One is geography-type buys in the \$5-20 million range. Then, there could be a big one in the \$50-100 million range. We are looking at inorganic growth in the Middle East and North Africa.

#### What about organic expansions abroad?

In Africa, we will initially cre-



ate a sales capability and then bid for projects there. We are looking at large opportunities in Africa for e-governance

and banking.

#### What opportunity does the Aadhaar project (of the

#### Unique Identification Authority) offer you?

We will provide enrolment and delivery systems, besides products for the micro ATM service and businesses where registration happens. We see opportunity in the Aadhaars, census and the public distribution system (PDS). Our estimates say that for PDS only, every state needs 1,000-3,000 people. We have also bid for the IT training business of the Aadhaars and we have more than 100 training centres in the country,

where we can offer training to the enrolling agents. For the PDS

project, we will issue smart cards after doing the initial surveys, enrolment, integration, delivery of cards and then back-ending with the software. We are already providing similar solutions in

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Chandigarh for PDS. So, the UIDAI will give numbers and we will issue smart cards.

#### Any plans of raising funds like last year?

We raised funds through a qualified institutional placement (QIP) last year and that is enough for the

next three years. We now have to use that QIP for acquisitions and other organic expansions.