

HCL INFOSYSTEMS LTD.

Corporate Office: A-11, Sector 3, NOIDA 201 301, U.P., India
Tel: +91 120 2520977, 2526518, 2526519 Fax: +91 120 2523791
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.
Corporate Identity Number - L72200DL1986PLC023955
www.hclinfosystems.in
www.hcl.com

8th February, 2022

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: Press Release-Consolidated and Standalone Unaudited Financial Results for quarter ended December 31, 2021

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

Dear Sir/ Madam,

We are forwarding a copy of the press release being made by HCL Infosystems Limited on the Consolidated and Standalone, Unaudited Financial Results of the Company for the quarter ended 31st December, 2021.

The Consolidated and Standalone Unaudited Financial Results for the quarter ended December 31, 2021, approved by the Board of Directors and the press Release thereon will also be available on the Company's website, www.hclinfosystems.in

Please take this on record.

Very Truly Yours,
For HCL Infosystems Limited

Komal Bathla
Company Secretary & Compliance Officer

Encl: As above.

HCL Infosystems registers Rs. 12.43 Crore revenue with operating loss of Rs. 14.72 Crore in Q3' FY22

February 08, 2022, New Delhi

Q3' FY22 Business Highlights:

- **Q3' FY22** revenue was Rs. 12.43 Crore
- Systems Integration and Solutions business reported revenue of Rs.10.38 Crore
- Loss Before Tax and exceptional items was Rs. 14.72 Crore
- Exceptional non-recurring gain during this quarter on account of:
 - Profit on sale of properties was Rs. 7.38 Crore.
- Loss Before Tax after considering exceptional items Rs. 7.34 Crore

HCL Infosystems today announced its financial results for the quarter ended December 31st, 2021.

Mr. Raj Sachdeva, Manager of HCL Infosystems Ltd, commenting on the results' said, *"During the quarter, the Company continued to focus on monetization of properties and realization of tax refunds to help in reduction of debt and losses."*

Our Systems Integration and Solutions business continued to face delays in customer acceptance and sign-offs on project completion from certain customers, particularly those in the power sector, resulting in delays in recovering receivables. The team has been continuously engaging with this set of customers to recover the outstanding dues and the Company is also pursuing legal options by invoking arbitration to recover the receivables. This is leading to high legal cost as reflected in legal and professional expenses.

As stated in several earlier press releases, during the last few years, the Company has been struggling due to operational losses, high debt obligation and challenging market conditions. Therefore, the Company's focus has been on reducing operational losses and debt and finance costs by scaling down certain businesses and selling off select businesses and assets, including certain immovable properties.

Despite all these efforts to reduce debt and losses and the promoter's financial support of the Company from time to time, the Company continues to face very challenging funding conditions and remains in a very tight financial position. As a consequence, the Company has no ability to invest in any new businesses or in expanding its current operations and consequently the business of the Company will continue to contract for the foreseeable future.

Company Update

Divestment of HCL Infotech Ltd.

As reported in earlier press releases, the Board of Directors of HCL Infosystems Limited in its meeting held on February 10, 2021 had approved the sale of the entire shareholding held by HCL

Infosystems Limited in HCL Infotech Limited to Novezo Consulting Pvt. Ltd. based on the terms and conditions specified in the Share Purchase Agreement dated February 10, 2021.

Subsequently, one of the customers of a key defense project which is part of the transaction has asked HCL to novate the project to either HCL Infosystems Limited or to a third-party service provider acceptable to the customer, instead of transferring the project as part of the HCL Infotech sale to Novezo. In response to the customer's request, we have started the process for novating the project to HCL Infosystems as a stop gap arrangement and identifying a service provider to eventually take-over the project.

Consequently, the completion of the sale of the shareholding of HCL Infotech Ltd. to Novezo has been delayed and the Company and Novezo are currently renegotiating some of the terms of the Share Purchase Agreement. The revised SPA will be subject to approval of the Board and the Shareholders of the Company.

Restructuring of the Company

The Board of Directors of HCL Infosystems Limited in its meeting held on August 6th, 2020 had approved the Scheme of Amalgamation between Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited with HCL Infosystems Limited and their respective shareholders and Creditors ("Scheme"). The Company had filed an application with the New Delhi Bench of National Company Law Tribunal ("NCLT") on September 21st, 2020 for approval of the proposed Scheme. HCL Learning and DDMS are wholly owned subsidiaries of the Company.

The Application was accepted by the Hon'ble NCLT, New Delhi and pursuant to the order dated September 17, 2021 read with the rectification order dated September 24, 2021 and the order dated October 7, 2021, the applicant companies convened a meeting of shareholders of all the Applicant Companies and unsecured creditors of DDMS and HCL Infosystems Limited on 30th November, 2021. The report of the meetings was duly submitted before the Hon'ble NCLT.

The Company had subsequently filed the 2nd Motion petition on December 13, 2021 which was heard on January 03, 2022 by the Hon'ble NCLT. Pursuant to the order dated January 18, 2022 in this regard, the petition has been admitted by the Hon'ble NCLT, New Delhi and next date of hearing has been fixed for April 12, 2022.

Divestment of Property

In order to reduce the Company's debt obligations, the Company has decided to monetize certain Company owned properties in a phased manner. Several of the Company's properties are not being fully utilized due to changes in the business of the Company. The Company has sold one property during the quarter for a total consideration of Rs 14.55 Crores. During the current year, the Company has sold 6 properties for a total consideration of Rs. 136.49 Crores. The Company is actively looking for buyers to monetize other properties.

Tax refund

During the quarter, the Company received Income Tax refund and GST refund of Rs 44 Crores and Rs 20 crores respectively. Total income tax and GST refund received during current financial year till December 2021 is Rs 104 Crores and Rs 29 crores respectively.

About HCL Infosystems

HCL Infosystems is an IT System Integration and Solutions company. For more information, please visit us at www.hclinfosystems.in.

Media Contact Information	
HCL Infosystems	cosec@hcl.com