

**HCL INFOSYSTEMS LTD.**

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Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019. India.  
Corporate Identity Number - L72200DL1986PLC023955  
[www.hclinfosystems.in](http://www.hclinfosystems.in)  
[www.hcl.com](http://www.hcl.com)

9<sup>th</sup> August, 2022

To

<b>The General Manager</b> Department of Corporate Relations BSE Limited Sir Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai 400 001	<b>The Vice President</b> 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 June, 2022**

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

Dear Sirs,

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 30<sup>th</sup> June, 2022.

The Consolidated and Standalone Unaudited Financial Results for the quarter ended June 30, 2022, approved by the Board of Directors and the press Release thereon will also be available on the Company's website, [www.hclinfosystems.in](http://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. 9.12 Crore revenue with operating loss of Rs. 14.85 Crore in Q1' FY23**

**August 09, 2022, New Delhi**

### **Q1' FY23 Business Highlights:**

- **Q1' FY23** revenue was Rs. 9.12 Crore
- Systems Integration and Solutions business reported revenue of Rs.7.59 Crore
- Loss Before Tax and exceptional items was Rs. 14.85 Crore
- Exceptional non-recurring gain during this quarter on account of:
  - Profit on sale of properties was Rs. 4.87 Crore.
- Loss Before Tax after considering exceptional items Rs. 9.98 Crore

HCL Infosystems today announced its financial results for the quarter ended June 30<sup>th</sup>, 2022.

Mr. Raj Sachdeva, Manager of HCL Infosystems Ltd, commenting on the results' said, "*In Q1'23, the management of the Company continued to focus on actions/ initiatives that can help reduce operational losses , debt and finance cost. In order to minimize loans and reduce finance cost, pre-payment of HP Finance loan was done in Q1'23. There is no external loan outstanding as on 30th Jun'22.*"

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. Also as the company continued to provide support to these customers ,the company is incurring higher cost which is increasing our operational losses as reflected in the financials

### **Company Update**

#### **Divestment of HCL Infotech Ltd.**

As reported in earlier press releases, the Board of Directors and shareholders of the Company in 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, the process for novating the DCN project to HCL Infosystems as a stop gap arrangement and identifying a service provider to finally take-over the AMC for DCN project, is underway.

This exercise has resulted in a significant delay in closing the sale of HCL infotech to Novezo. In addition, some of the terms of the Share Purchase Agreement are being renegotiated and there are unresolved issues which if resolved, will require approval of the Board and the Shareholders of the Company.

### **Amalgamation / Restructuring of the Company**

The Company initiated a scheme of amalgamation of Digilife Distribution and Marketing Services Limited (DDMS) and HCL Learning Limited (Learning), wholly owned subsidiaries, with and into HCL Infosystems Limited (HCLI). The rationale for this is to consolidate businesses into a single entity, simplify the corporate structure and reducing administrative costs. The petition for sanctioning of the scheme was filed before the Hon'ble NCLT, New Delhi bench on 13th December 2021.

Pursuant to order of the Hon'ble NCLT, New Delhi dated January 18, 2022, notices were duly issued to statutory authorities inviting their objections to the scheme and reports have been obtained from the Official Liquidator and the Regional Director. Adequate responses to their observations have also been filed before the Hon'ble NCLT along with necessary compliances. The Company also applied for change in Appointed Date of the Scheme from April 01, 2020 to April 01, 2022 before Hon'ble NCLT which was allowed vide order dated June 09, 2022. The final order in our matter has been reserved by the Hon'ble NCLT on July 08, 2022 and pronouncement of the order is awaited.

### **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 three properties during the quarter for a total consideration of Rs 8.64 Crores.

### **Tax refund**

During the quarter, the Company received Income Tax refund of Rs 15 Crores.

### **About HCL Infosystems**

HCL Infosystems is an IT System Integration and Solutions company. For more information, please visit us at [www.hclinfosystems.in](http://www.hclinfosystems.in).

<b>Media Contact Information</b>	
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