

To

Sub: Press Release

Dear Sirs,

We are forwarding a copy of the press release being made by HCL Infosystems Limited on the Unaudited Financial Results of the Company for the quarter ended 30th June, 2024.

Please take this on record.

Very Truly Yours,

For HCL Infosystems Limited

Komal Bathla
Company Secretary & Compliance Officer
Membership No. A41455

Encl: As above.

HCL Infosystems registers Rs. 747 Lakhs revenue with operating loss of Rs. 413 Lakhs in Q1'FY25

August 08, 2024, New Delhi

Q1' FY25 Business Highlights:

- Q1'25 revenue was Rs. 747 Lakhs
- Loss Before Tax was Rs. 413 Lakhs

HCL Infosystems today announced its financial results for the quarter ended Jun 30th, 2024.

Mr. Raj Sachdeva, Manager of HCL Infosystems Ltd, commenting on the results' said, "*During the quarter the Company remained focused on initiatives to reduce the company's debt and business losses through arbitration proceedings and expediting deliverables of existing projects.*"

Company update

As previously mentioned in our news releases, our Systems Integration and Solutions business has continued to face challenges in obtaining timely customer acceptance and sign-offs for completed projects, leading to delays in receiving payments. As a result, though the number of contracts reaching closure has increased, there is no significant progress in recovering outstanding receivables from customers.

To address this issue, the Company has taken the step of initiating arbitration proceedings against several customers to recover the dues owed. Due to multiple legal arbitration proceedings and legacy issues over a long period of time, significant effort and cost is being incurred on legal and legacy matters.

In addition, the company continues to incur high cost to execute projects, meet the compliance requirements of listed entity, internal financial controls and support to ongoing litigations & legacy matters, provision for unutilized GST Input Tax Credit to the extent the Company foresees limited business opportunities in near future and Allowance for Doubtful Assets, etc.

With our continued focus on arbitrations to recover our dues, the company has been received a favorable arbitration award against a government telecom customer during the quarter amounting to around Rs. 15000 Lakhs. However, the customer has got the right to go for further appeal.

The arbitration proceedings are progressing and we shall keep the stakeholders informed about any major or important developments on arbitration.

Despite various efforts to reduce debt and losses and the promoter's financial support for the Company, the Company continues to face very challenging conditions. 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.

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	
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