

6th August, 2019**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: Intimation of Board Approval of HCL Infosystems Limited for sale of shares of its step down subsidiary, HCL Insys Pte. Ltd., Singapore

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Dear Sirs,

We wish to inform that the Board of Directors of HCL Infosystems Limited ("**Company**") in its meeting held today i.e. 6th August 2019 has given its approval for sale of the entire shareholding of HCL Learning Limited ("**Seller**") (a subsidiary of the Company) in its wholly owned subsidiary, HCL Insys Pte. Ltd., Singapore ("**HCL Insys**") excluding the Carve Out Businesses as defined below ("**Proposed Transaction**") to PCCW Solutions Limited, Hong Kong ("**Purchaser**"). This is in line with Company's strategy to focus on restructuring and monetizing its businesses and assets to reduce its debt obligations.

The sale excludes the following ("**Carve Out Businesses**"):

- The trading business of HCL Insys Pte. Ltd. In Singapore and
- M/s Nurture Technologies FZE (formerly known as HCL Infosystems FZE), a subsidiary of HCL Insys FZE, which contains the residual asset and business of Middle East.

The Carve Out Businesses will be transferred to HCL Investments Pte. Ltd., a step down subsidiary of the Company.

M/s PCCW Solutions Limited, is a leading IT services provider in Hong Kong. PCCW Solutions Limited is the technology solutions arm of PCCW Limited, a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

The Proposed Transaction is subject to the terms & conditions stipulated in the share purchase agreement ("**SPA**") to be executed between Seller and Purchaser. As part of the Proposed Transaction, the Company would undertake (under a separate agreement to be executed between the Company and the Purchaser) to discharge or cause the discharge of Seller's indemnity obligations in the event of failure by Seller (to discharge its indemnity obligations under the SPA, when due). The Proposed Transaction is subject to performance of the conditions precedent specified in the SPA, including meeting of certain business benchmarks being maintained and on the receipt of necessary approvals from the shareholders of the Company and from relevant statutory authorities.

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The consideration for the Proposed Transaction is linked to the enterprise value of HCL Insys (specified as SGD 42,000,000 under the SPA on a debt free/cash free basis) and is subject to adjustments to the cash, debt and working capital positions of HCL Insys basis their trued up value on the closing date of the Proposed Transaction. As on March 31st, 2019 there was an adjusted net cash position as per the terms of the SPA was SGD 11,944,849 and will be trued up on the closing date.

The entire consideration will be paid by the Purchaser on the closing date and on meeting the conditions precedent and is not expected to go beyond 6 months from the signing date of the SPA.

The consideration will be applied to repay the debt of the Company.

You are requested to kindly take the same on record.

Yours faithfully,

For HCL Infosystems Limited

Sushil Kumar Jain
Company Secretary

Annexure – 1**Details of the proposed transaction**

S.No.	Particulars	Remarks
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	The standalone revenue and net worth of HCL Insys Pte. Ltd. (excluding the trading business) in FY19 are INR 465.28 Crores and INR 101.47 Crores respectively, constituting 12.99% and 36.39% respectively of the FY19 revenue and net worth of HCL Infosystems Limited (" Company ") respectively.
2	Date on which the agreement for sale has been entered into	The share purchase agreement (" SPA ") is expected to be signed between HCL Learning Limited (" Seller ") and PCCW Solutions Limited on 6 th August 2019.
3	The expected date of completion of sale/disposal	The proposed transaction is expected to be consummated by 6 th February 2020.
4	Consideration received from such sale / disposal	The consideration is linked to the enterprise value of HCL Insys Pte. Ltd. (specified as SGD 42,000,000 under the SPA on debt free/cash free basis) and is subject to adjustments based on the cash, debt and working capital positions of HCL Insys Pte. Ltd. on the date of consummation of the proposed transaction. As on March 31st, 2019 there was an adjusted net cash position as per the terms of the SPA of SGD 11,944,849.
5	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof	PCCW Solutions Limited (" Purchaser ") is the technology solutions arm of PCCW Limited, a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses. The Purchaser does not belong to promoter group or group companies of the Company.
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Not a related party transaction
7	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	Not applicable

8.	Name of party for which such guarantees or indemnity or surety was given;	<p>As part of the proposed transaction, in the event of failure by Seller to discharge its indemnity obligations under the SPA, when due, the Company has undertaken to discharge or cause the discharge of Seller's indemnity obligations.</p> <p>The undertaking has been given by the Company to PCCW Solutions Limited.</p>
9.	Whether the promoter/promoter group/group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at "arms length" including amount of guarantee;	No
10.	Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions,	In the event of failure by Seller to discharge its indemnity obligations under the SPA, when due, the Company has undertaken to discharge or cause the discharge of Seller's indemnity obligations.
11.	Impact of such guarantees or indemnity or surety on listed entity.	<p>There is no immediate impact on the Company.</p> <p>Only in the event of failure by Seller to discharge its indemnity obligations under the SPA, when due, the Company has undertaken to discharge or cause the discharge of Seller's indemnity obligations.</p>