

## 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 30<sup>th</sup>, 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](http://www.hclinfosystems.in).

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## Consolidated Results

(Rs. In Lakhs)

	Three months ended			Year ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited	Unaudited	Audited
<b>Income</b>				
Revenue from operations	747	672	1,130	3,217
Other income	633	825	542	2,982
<b>Total Income</b>	<b>1,380</b>	<b>1,497</b>	<b>1,672</b>	<b>6,199</b>
<b>Expenses</b>				
Direct expenses	218	195	534	1,303
Changes in inventories of stock-in-trade	5	(2)	2	2
Employee benefits expense	531	517	473	2,003
Finance costs	4	3	15	37
Depreciation and amortisation expense	11	12	14	54
Legal, professional and consultancy charges	568	737	498	3,302
Other expenses	456	582	725	2,276
Total expenses	1,793	2,044	2,261	8,977
<b>Loss before exceptional items and tax from continuing operations</b>	<b>(413)</b>	<b>(547)</b>	<b>(589)</b>	<b>(2,778)</b>
Exceptional Items gain	-	-	-	1,196
<b>Loss before tax from continuing operations</b>	<b>(413)</b>	<b>(547)</b>	<b>(589)</b>	<b>(1,582)</b>
Tax expense / (credit)				
(a) Current tax	-	6	-	6
(b) Deferred tax expense	-	-	-	-
<b>Loss for the period from continuing operations</b>	<b>(413)</b>	<b>(553)</b>	<b>(589)</b>	<b>(1,588)</b>
Profit / (loss) before tax from discontinued operations	-	-	-	-
Profit / (loss) on disposal of discontinued operations	-	-	-	-
Tax expense / (credit) of discontinued operations	-	-	-	-
<b>Net Profit / (Loss) for the period from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loss for the period</b>	<b>(413)</b>	<b>(553)</b>	<b>(589)</b>	<b>(1,588)</b>
Other comprehensive income				
A (i) Items that will not be reclassified to profit and loss	-	(4)	-	(4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit and loss	(2)	(10)	3	9
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of income tax	(2)	(14)	3	5
<b>Total comprehensive loss for the period</b>	<b>(415)</b>	<b>(567)</b>	<b>(586)</b>	<b>(1,583)</b>
<b>Basic EPS (Not annualised) Rs/share for discontinued &amp; continuing operations</b>	<b>(0.13)</b>	<b>(0.17)</b>	<b>(0.18)</b>	<b>(0.48)</b>