

14th November 2024

HCL Infosystems registers Rs. 679 Lakhs revenue in Q2'FY25.

Q2' FY25 Business Highlights:

- Q2'25 revenue was Rs. 679 Lakhs
- Loss Before Tax was Rs. 784 Lakhs

The current quarter results were impacted mainly due to:

1. The revenue for the current quarter of Rs. 679 Lakhs is lower than the last quarter revenue of Rs. 747 Lakhs. This is mainly on account of completion of Facility Management Services of Jh- RAPDRP during the current quarter. We expect the revenue of the Company will continue to contract for the foreseeable future.
2. The PBT loss was higher than immediately preceding quarter mainly due to increase in legal expenses towards ongoing arbitrations and related costs during the quarter.

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

Mr. Raj Sachdeva, Manager of HCL Infosystems Ltd, commenting on the results' said, "In Q2'25, *the management of the Company remained committed to actions and initiatives that can help reduce future operational losses and expedite deliverables of existing projects to help realize our long outstanding receivables.*"

Company update

As stated in our earlier news releases, despite our best efforts, our business continues to face challenges in securing timely customer acceptance and project sign-offs. These persistent delays are resulting in substantial payment holdups and impacting our financial stability. Despite an increase in the number of contracts reaching closure, we have not made meaningful progress in recovering outstanding receivables.

To address this issue, the Company has initiated arbitration proceedings against several customers to recover the dues owed. However, due to the complexity of multiple legal arbitration proceedings and the legacy issues accumulated over an extended period, significant effort and costs are being incurred in managing these legal and historical matters.

In addition, the company continues to incur significant cost to execute projects, comply with the regulatory requirements of a listed entity, maintain internal financial controls, provide ongoing support for litigations and legacy matters and make provision for unutilized GST Input Tax Credit. Consequently, the Company foresees limited business opportunities in the near future..

Because of our continued focus on arbitrations to recover dues, the Company received a favorable arbitration award during the quarter amounting to around Rs. 936 Lakhs. However, the customer has got the right to go for further appeal.

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

Re-appointment of Non-Independent and Non-Executive Director:

The members of the Company in their Annual General Meeting held on 18th September 2024, re-appointed Mr. Pawan Kumar Danwar as Non-Independent and Non-Executive Director, liable to retire by rotation.

About HCL Infosystems

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

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Consolidated Results
(Rs. In Lakhs)

	Three months ended			Year ended
	30.09.2024	30.06.2024	30.09.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Audited
Income				
Revenue from operations	679	747	599	3,217
Other income	555	633	854	2,982
Total Income	1,234	1,380	1,453	6,199
Expenses				
Direct expenses	150	218	367	1,303
Changes in inventories of stock-in-trade	(1)	5	1	2
Employee benefits expense	551	531	504	2,003
Finance costs	7	4	12	37
Depreciation and amortisation expense	13	11	14	54
Legal, professional and consultancy charges	665	568	776	3,302
Other expenses	633	456	491	2,276
Total expenses	2,018	1,793	2,165	8,977
Loss before exceptional items and tax from continuing operations	(784)	(413)	(712)	(2,778)
Exceptional Items (loss) / gain	-	-	1,196	1,196
Profit / (Loss) before tax from continuing operations	(784)	(413)	484	(1,582)
Tax expense / (credit)				
(a) Current tax	-	-	-	6
(b) Deferred tax expense	-	-	-	-
Net Profit / (Loss) for the period from continuing operations	(784)	(413)	484	(1,588)
Profit / (loss) before tax from discontinued operations	-	-	-	-
Profit / (loss) on disposal of discontinued operations	-	-	-	-
Tax expense / (credit) of discontinued operations	-	-	-	-
Net Profit / (Loss) for the period from discontinued operations	-	-	-	-
Net Profit / (Loss) for the period	(784)	(413)	484	(1,588)
Other comprehensive income				
A (i) Items that will not be reclassified to profit and loss	-	-	-	(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	35	(2)	3	9
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of income tax	35	(2)	3	5
Total comprehensive income/ (loss) for the period	(749)	(415)	487	(1,583)
Basic EPS (Not annualised) Rs/share for discontinued & continuing operations	(0.24)	(0.13)	0.15	(0.48)