

HCL Infosystems registers Rs. 570 Lakhs revenue in Q3'FY25.

February 7th, 2025, New Delhi

Q3' FY25 Business Highlights:

- Q3'25 revenue was Rs. 570 Lakhs
- Loss Before Tax Rs. 525 Lakhs

HCL Infosystems today announced its financial results for the quarter ended 31st December 2024.

Mr. Raj Sachdeva, Manager of HCL Infosystems Ltd, commenting on the results' said, "*During this quarter, the Company continued to focus on actions and initiatives aimed at realizing our long outstanding receivables and minimizing operational losses.*"

Company update

As previously mentioned in our news releases, our 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, significant effort and cost is being incurred on legal and legacy matters.

The company continues to face substantial costs associated with executing projects, complying with the regulatory obligations of a listed entity, maintaining internal financial controls, supporting ongoing litigations and legacy issues, and provisioning for unutilized GST Input Tax Credit. As a result, the company anticipates limited business opportunities in the near term.

Pursuant to a favorable arbitration award amounting Rs 418 lakhs, the counterparty has waived its right to appeal and has released part payment of Rs. 122 lakhs. The balance amount of Rs. 296 lakhs is expected to be received by Mar'25. Total value of the award amounting to Rs. 418 lakhs has been booked as income in the current quarter.

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

Retirement of Ms. Ritu Arora

Ms. Ritu Arora, Independent and non-executive Director (existing director) will be retiring after completion of her second term on 5th April 2025. As per the listing regulations, the Company is required to fill this vacancy to maintain the minimum number of directors as mentioned in regulation 17 (1)(c) of listing regulation.

Appointment of new Director

The Board of Directors of the Company in their meeting held today i.e., 7th February 2025, have appointed Ms. Rita Gupta as Additional Non-Executive Director, liable to retire by rotation, subject to the approval by the members of the Company.

Brief Profile of Ms. Rita Gupta

Ms. Rita Gupta is a finance professional with over 30 years of experience. Her expertise spans the entire gamut of finance, including Business Finance, Controllership, Treasury, Risk Management and Strategic Initiatives. She has been associated with HCL for almost the whole of her professional career. Rita has been instrumental in developing the existing and new businesses of HCL and has been involved across various functions, including financial planning, fund raising, investment management, forex, and business finance. Apart from HCL, Rita has also been associated with several Shiv Nadar Foundation initiatives, handling the initial phase of investment planning and strategy. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and a Graduate in Law.

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
	31.12.2024	30.09.2024	31.12.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Audited
Income				
Revenue from operations	570	679	816	3,217
Other income	905	555	761	2,982
Total Income	1,475	1,234	1,577	6,199
Expenses				
Direct expenses	155	150	207	1,303
Changes in inventories of stock-in-trade	1	(1)	1	2
Employee benefits expense	534	551	509	2,003
Finance costs	3	7	7	37
Depreciation and amortisation expense	12	13	14	54
Legal, professional and consultancy charges	742	665	1,290	3,302
Other expenses	553	633	479	2,276
Total expenses	2,000	2,018	2,507	8,977
Loss before exceptional items and tax from continuing operations	(525)	(784)	(930)	(2,778)
Exceptional Items (loss) / gain	-	-	-	1,196
Loss before tax from continuing operations	(525)	(784)	(930)	(1,582)
Tax expense / (credit)				
(a) Current tax	-	-	-	6
(b) Deferred tax expense	-	-	-	-
Net Loss for the period from continuing operations	(525)	(784)	(930)	(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 Loss for the period	(525)	(784)	(930)	(1,588)
Other comprehensive income/(loss)				
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	(20)	35	13	9
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income / (loss), net of income tax for the period	(20)	35	13	5
Total comprehensive income for the period	(545)	(749)	(917)	(1,583)
Basic EPS (Not annualised) Rs./share for discontinued & continuing operations	(0.16)	(0.24)	(0.28)	(0.48)