

HCL INFOSYSTEMS LIMITED
Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2024

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Consolidated Statement of Profit and Loss of HCL Infosystems Limited as per Ind AS:

(Rs. In Lakhs)

Particulars	Consolidated					
	Three months ended			Year to date		Year ended
	31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
Revenue from operations	570	679	816	1,996	2,545	3,217
Other income	905	555	761	2,094	2,157	2,982
Total Income	1,475	1,234	1,577	4,090	4,702	6,199
2 Expenses						
(a) Direct expenses	155	150	207	523	1,108	1,303
(b) Changes in inventories of stock-in-trade	1	(1)	1	5	4	2
(c) Employee benefits expense	534	551	509	1,616	1,486	2,003
(d) Finance costs	3	7	7	14	34	37
(e) Depreciation and amortisation expense	12	13	14	36	42	54
(f) Legal, professional and consultancy charges	742	665	1,290	1,975	2,564	3,302
(g) Other expenses	553	633	479	1,642	1,695	2,276
Total expenses	2,000	2,018	2,507	5,811	6,933	8,977
3 Loss before exceptional items and tax from continuing operations (1 - 2)	(525)	(784)	(930)	(1,721)	(2,231)	(2,778)
4 Exceptional Items gain (Refer note 3)	-	-	-	-	1,196	1,196
5 Loss before tax from continuing operations (3 + 4)	(525)	(784)	(930)	(1,721)	(1,035)	(1,582)
6 Tax expense / (credit)						
(a) Current tax	-	-	-	-	-	6
(b) Deferred tax expense	-	-	-	-	-	-
7 Loss for the period from continuing operations (5 - 6)	(525)	(784)	(930)	(1,721)	(1,035)	(1,588)
8 Profit / (Loss) before tax from discontinued operations	-	-	-	-	-	-
9 Profit / (Loss) on disposal of discontinued operations	-	-	-	-	-	-
10 Tax expense / (credit) of discontinued operations	-	-	-	-	-	-
11 Net Profit / (loss) for the period from discontinued operations (8 + 9 - 10)	-	-	-	-	-	-
12 Net Loss for the period (7+ 11)	(525)	(784)	(930)	(1,721)	(1,035)	(1,588)
13 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	13	19	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	13	19	5
14 Total comprehensive income for the period (12 + 13)	(545)	(749)	(917)	(1,708)	(1,016)	(1,583)
15 Net loss attributable to:						
- Shareholders	(525)	(784)	(930)	(1,721)	(1,035)	(1,588)
- Non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to:						
- Shareholders	(545)	(749)	(917)	(1,708)	(1,016)	(1,583)
- Non-controlling interests	-	-	-	-	-	-
16 Paid-up equity share capital (Face value per share of Rs. 2/-)	6,584	6,584	6,584	6,584	6,584	6,584
17 Reserve as per balance sheet of previous accounting year						(33,516)
18 Earnings per share for continuing operations (of Rs. 2/- each) (not annualised):						
(a) Basic	(0.16)	(0.24)	(0.28)	(0.52)	(0.31)	(0.48)
(b) Diluted	(0.16)	(0.24)	(0.28)	(0.52)	(0.31)	(0.48)
19 Earnings per share for discontinued operations (of Rs. 2/- each) (not annualised):						
(a) Basic	-	-	-	-	-	-
(b) Diluted	-	-	-	-	-	-
20 Earnings per share for discontinued & continuing operations (of Rs. 2/- each) (not annualised):						
(a) Basic	(0.16)	(0.24)	(0.28)	(0.52)	(0.31)	(0.48)
(b) Diluted	(0.16)	(0.24)	(0.28)	(0.52)	(0.31)	(0.48)

Notes

1. Consolidated results include financial results of HCL Infosystems Limited (hereinafter referred to as "the Parent"), HCL Infotech Limited, HCL Investments Pte. Limited, Pimpri Chinchwad eServices Limited and Nurture Technologies FZE (hereinafter together referred to as "the Group"). These results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 07, 2025. The statutory auditors have issued unmodified review report on these results.

2. The Group has continuously made losses and its net worth has been fully eroded. Further the Group has incurred a net loss of Rs. 1,721 lakhs during the nine months ended December 31, 2024 (year ended March 31, 2024: net loss of Rs. 1,588 lakhs) and the Group's current liabilities exceeded its current assets by Rs. 47,954 lakhs (March 31, 2024 - Rs. 51,748 lakhs) as at December 31, 2024.

One subsidiary within group has long-term contract valid till year 2031 and parent company is committed to provide operational support to its subsidiary to execute its contracts. To ensure the necessary financial support for its operations, the Board of Directors of HCL Corporation Private Limited (a significant promoter shareholder) has approved support in the form of corporate guarantees to banks of Rs. 39,600 lakhs and interest free unsecured loans of Rs. 35,500 lakhs to HCL Infosystems Limited out of total authorized limit of Rs. 1,50,000 lakhs. This had been approved by the shareholders of the Company, vide their resolution dated September 14, 2017. Considering the above support, the Parent's management and the Board of Directors have a reasonable expectation that the Group will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the consolidated financial results have been prepared on a going concern basis.

3. Exceptional items include :

(Rs. In Lakhs)

Particulars	Three months ended			Year to date		Year ended
	31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Gain on sale of property, plant and equipments (Refer Note No. 4)	-	-	-	-	1,196	1,196
Total Gain	-	-	-	-	1,196	1,196

4. In order to reduce Group's debt obligations, the Group decided to monetize Group owned properties in a phased manner. Several of Group's properties were not being fully utilized due to changes in the business of the Group, therefore, as a part of ongoing property monetization plan, the Group had sold certain properties resulting in gain of Rs. 1,196 Lakhs for the year ended March 31, 2024. There is no such transaction during the period ended December 31, 2024.

5. Based on the detailed assessment performed by Management which also included, wherever considered necessary, performing reconciliation with the parties, the Group has credited its Statement of Profit and Loss with Rs. 530 Lakhs for the quarter ended December 31, 2024, Rs. 214 Lakhs for the quarter ended September 30, 2024, Rs. 402 Lakhs for the quarter ended December 31, 2023, Rs 966 Lakhs for the period ended December 31, 2024, Rs 766 Lakhs for the period ended December 31, 2023 and Rs. 1,197 Lakhs for the year ended March 31, 2024, on account of write back of certain old payables and provisions.

6. The Group had reported three segments till year ended 31 March 2024 – Hardware Products and Solutions, Distribution and Learning. However, management has reassessed the segment disclosure and believes that with the scale down of the Distribution business which is limited to providing IT support services (primarily annual maintenance activities) and progressive decline in learning operations, the Chief Operating Decision maker primarily focuses on combined business in making decisions on operating matters and on allocating resources in evaluating performance. Accordingly, the Group has aggregated its segments into a single segment which is providing IT support services and hence no separate disclosure is required for Segment as per Ind AS 108 'Operating Segments'.

7. HCL Infosystems Limited (HCLI) has initiated Arbitration Proceedings with respect to dispute against the customers for contracts which were originally awarded to HCLI and were subsequently transferred to HCL Infotech Limited (Infotech) under the Scheme of Arrangement in 2013 as approved by Delhi High Court. Further as part of issuance of Optionally Convertible Debentures (OCDs), in earlier years the Infotech has transferred its rights to receive cash flows from these projects to the HCLI and as per the terms of OCDs, cash collected shall be utilized to redeem OCDs.

Against one of such contract, Infotech has received an amount of Rs. 12,342 Lakhs (including interest) in earlier years against equivalent Bank Guarantee. For another contract, part payment of Rs 1331 Lakhs (including interest) was received during the quarter ended December 31, 2024 against equivalent Bank Guarantee.

However, since counterparty's appeal in these matters is sub-judice (pending disposal) before the High Court, amount has not been utilized for redemption of OCDs and shown as amount collected under litigation as a part of other current liabilities in the financial statement of Infotech.

8. HCL Infosystems Limited (HCLI) received a favourable arbitration award for Rs. 395 Lakhs (principal amount) along with Interest @ 8% p.a. till date of payment with respect to disputes with a customer against a contract which was forming part of Hardware Solutions business which was initially allotted to the Company and transferred to HCL Infotech Limited (Infotech) under Scheme of Arrangement in 2013.

The customer has accepted the arbitral award and hence an income of Rs 418 Lakhs (including interest till December 31, 2024) has been recognized in the quarter ended December 31, 2024 in the books of Infotech.

By order of the Board
for HCL Infosystems Limited

Place : Noida
Date : February 07, 2025

Nikhil Sinha
Chairperson