

HCL Infosystems registers Rs. 5.99 Crores revenue with operating loss of Rs. 7.12 Crores in Q2' FY24

November 07, 2023, New Delhi

Q2' FY24 Business Highlights:

- **Q2'24** revenue was Rs. 5.99 Crores
- Systems Integration and Solutions business reported revenue of Rs. 4.91 Crores
- Profit Before Tax after considering exceptional items Rs. 4.84 Crores

HCL Infosystems today announced its financial results for the quarter ended Sep 30th, 2023.

Mr. Raj Sachdeva, Manager of HCL Infosystems Ltd, commenting on the results' said, "In Q2'24, *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 releases, the Company has initiated arbitration proceedings against certain customers where acceptance, sign-offs and payments are held up for a long time. The arbitration proceedings are progressing and we shall keep the stakeholders informed about the outcome, as and when the proceedings conclude.

Due to these multiple legal arbitration proceedings and legacy issues, significant effort and cost is being incurred on legal and legacy matters.

The Company has transferred the leasehold rights of certain immovable properties to various parties between 2019-2022. The consideration received to transfer the same didn't include GST, considering these arrangements as transfer of immovable properties. During the quarter, the Company evaluated these transactions basis the legal advice to assess the applicability of GST considering that the matter is under judicial consideration at various levels with respect to applicability of GST on such transactions.

Since the evaluation is ongoing, the Company would consider the appropriate steps to deal with the matter once the evaluation is completed.

Divestment of Property

In order to reduce the Company's debt obligations, the Company had decided to monetize certain Company owned properties in a phased manner. Several of the Company's properties are not being fully utilized due to changes in the business of the Company. During the current quarter, the Company concluded sale of one of its properties for a total consideration of Rs. 15 Crores.

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 Crores)

	Three months ended			Year ended
	30.09.2023	30.06.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Audited
Income				
Revenue from operations	6.0	11.3	6.9	31.4
Other income	8.5	5.4	6.8	23.4
Total Income	14.5	16.7	13.7	54.8
Expenses				
Cost of materials consumed	-	-	-	-
Purchase of stock-in-trade	1.1	1.3	1.1	4.8
Changes in inventories of finished goods and stock-in-trade	0.0	0.0	0.0	0.1
Other direct expense	2.5	4.1	1.8	13.7
Employee benefits expense	5.0	4.7	5.3	20.4
Finance costs	0.1	0.1	0.3	1.9
Depreciation and amortisation expense	0.1	0.1	0.1	0.6
Legal, professional and consultancy charges	7.8	5.0	6.8	28.9
Other expenses	4.9	7.3	8.4	36.9
Total expenses	21.7	22.6	23.8	107.4
Loss before exceptional items and tax from continuing operations	(7.1)	(5.9)	(10.1)	(52.6)
Exceptional Items (loss) / gain	12.0	-	-	13.8
Profit /(Loss) before tax from continuing operations	4.8	(5.9)	(10.1)	(38.7)
Tax expense / (credit)				
(a) Current tax	-	-	-	0.1
(b) Deferred tax expense	-	-	-	-
Net Profit/(Loss) for the period from continuing operations	4.8	(5.9)	(10.1)	(38.8)
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	4.8	(5.9)	(10.1)	(38.8)
Other comprehensive income				
A (i) Items that will not be reclassified to profit and loss	-	-	-	(0.0)
(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	0.0	0.0	(0.1)	0.4
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of income tax	0.0	0.0	(0.1)	0.4
Total comprehensive income/ (loss) for the period	4.9	(5.9)	(10.1)	(38.4)
Basic EPS (Not annualised) Rs/share for discontinued & continuing operations	0.15	(0.18)	(0.31)	(1.18)

CONSOLIDATED SEGMENT INFORMATION

(Rs. In Crores)

Particulars	Three months ended			Year ended
	30.09.2023 Unaudited	30.06.2023 Unaudited	30.09.2022 Unaudited	31.03.2023 Audited
Segment Revenue				
- Hardware Products and Solutions	4.9	10.2	5.5	25.7
- Distribution	1.1	1.1	1.4	5.7
- Learning	-	-	-	-
Total	6.0	11.3	6.9	31.4
Less : Intersegment revenue	-	-	-	-
Net Sales / Income	6.0	11.3	6.9	31.4
Segment results (profit / (loss) before tax and Interest from each segment)				
- Hardware Products and Solutions	(8.2)	(4.0)	(4.5)	(32.5)
- Distribution	1.4	(1.3)	0.4	1.8
- Learning	-	-	0.1	(0.1)
Total	(6.8)	(5.3)	(4.0)	(30.8)
Less :				
i) Interest expense	0.1	0.1	0.3	1.9
ii) Other un-allocable expenditure net off un-allocable (income)	(11.7)	0.4	5.8	6.0
Total Profit / (Loss) before tax	4.8	(5.9)	(10.1)	(38.7)
Segment Assets				
- Hardware Products and Solutions	260.0	253.6	209.7	249.0
- Distribution	105.5	104.2	107.1	105.5
- Learning	0.9	0.9	0.7	0.9
- Unallocated	119.8	123.2	160.7	150.6
Total Assets	486.2	481.9	478.2	505.9
Segment Liabilities				
- Hardware Products and Solutions	342.2	348.9	310.0	351.4
- Distribution	31.3	30.8	37.5	30.2
- Learning	0.7	0.8	0.5	0.8
- Unallocated	366.4	360.7	365.5	377.0
Total Liabilities	740.6	741.2	713.5	759.4