

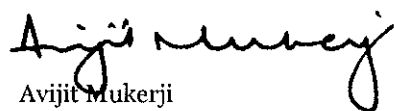
FORM A

Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	HCL Infosystems Limited
2.	Annual financial statements for the year ended	June 30, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.

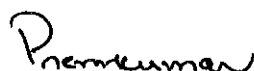
For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of HCL Infosystems Limited

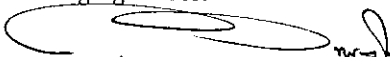


Avijit Mukerji
Partner
Membership Number 056155

Place: Gurgaon
Date: August 20, 2015



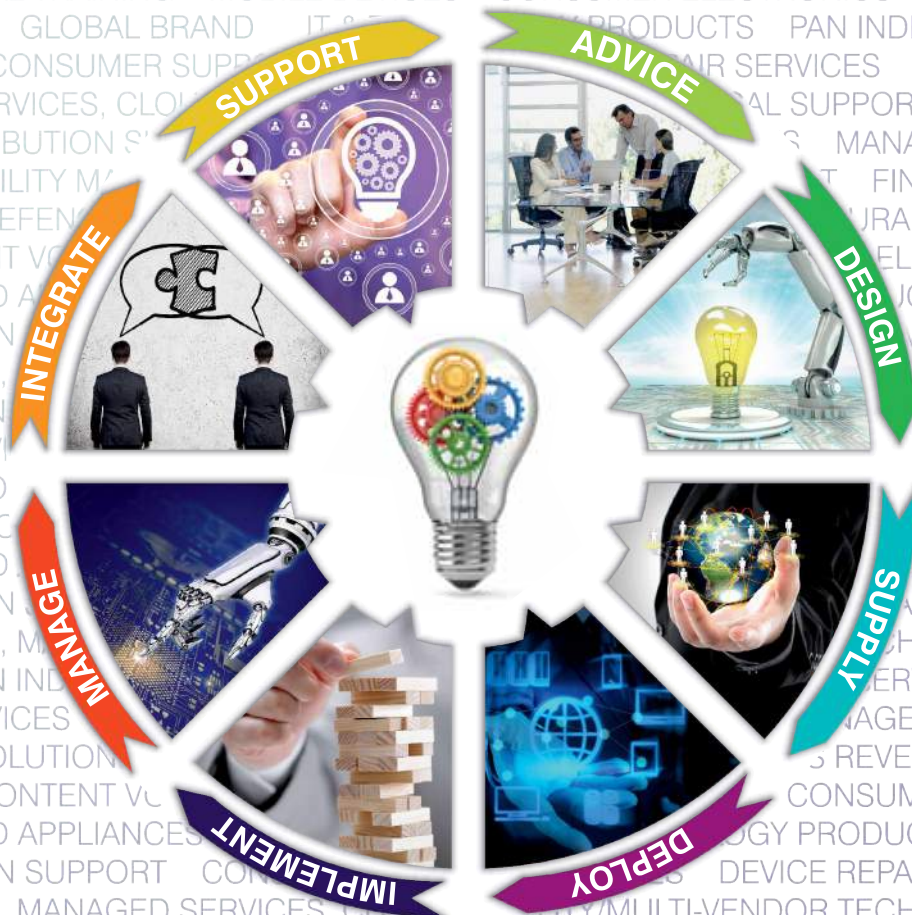
Premkumar Seshadri
Executive Vice Chairman &
Managing Director



SG Murali
Group Chief Financial Officer



Kaushik Dutta
Audit Committee chairman



Three markets and capability connected business units
working seamlessly in-concert for clients, consumers & partners

Technology **Life-cycle** Partnership Eco-System

DISTRIBUTION

- Mobile Devices
- Consumer Electronics
- Household Appliances

- Global Brand IT & Technology Products

- Pan India Distribution Support

CONSUMER

ENTERPRISE

GLOBAL

- Consumer Support Services
- Device Repair Services

- IT Consulting, Managed Services, Cloud/Mobility/ Multi-Vendor Technical Support Services

- IT /Network Support Services
- Onsite IT Services & Projects

IT SERVICES

LEARNING

- K-12 Digital Content Vocational Training

CITIZEN

- Identity Management
- Financial Inclusion Solutions

NATION

- Defence Network Solutions
- Utilities Revenue Assurance

LEARNER

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Nikhil Sinha

Executive Vice Chairman and Managing Director
Premkumar Seshadri

Directors
Dhirendra Singh
Dilip Kumar Srivastava
Kaushik Dutta
Pawan Kumar Danwar
Pradeep Kumar Khosla
Ritu Arora
Sangeeta Talwar
Sanjeev Sharma
V N Koura

CHIEF FINANCIAL OFFICER

S G Murali

COMPANY SECRETARY

Sushil Kumar Jain

AUDITORS

Price Waterhouse, Gurgaon

BANKERS

State Bank of India
ICICI Bank Limited
Canara Bank
HDFC Bank Limited
IDBI Bank Limited
Societe Generale
Standard Chartered Bank
State Bank of Patiala
Axis Bank Limited
Yes Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

806, Siddharth,
96, Nehru Place, New Delhi - 110 019

CORPORATE OFFICE

E-4, Sector XI, Noida-201 301 (U.P.)

CORPORATE IDENTITY NUMBER

L72200DL1986PLC023955

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Premkumar Seshadri

Executive Vice Chairman and Managing Director
HCL Infosystems Ltd.



Significantly accelerated the pace to build a sustainable trajectory of business growth and cost efficiency

In FY15, most of the LOBs have shown improvements in performance culminating in a 22% Q-o-Q revenue growth between Q3 and Q4 2015.

Decline in FY15 revenues was mainly due to scaling down of the unprofitable Computing Products and Enterprise Hardware Solutions businesses and product rationalization actions taken by a major Consumer Distribution Principal.

Dear Shareholders

In fiscal 2015, we have significantly accelerated the pace to build a sustainable trajectory of business growth and cost efficiency. We have successfully completed the restructuring exercise initiated in fiscal 2013 and continued in 2014. Today, your company is configured by four market-demand aligned Business Units housing nine core lines of business (LOBs). During the year, we have further enhanced the leadership strength of the company by inducting highly experienced executives in key roles across the organization. In FY15, most of the LOBs have shown improvements in performance culminating in a 22% Q-o-Q revenue growth between Q3 and Q4 2015.

Your company posted revenue of Rs. 6220 Crores in FY15, a decline of 21% over the last year. This was mainly due to scaling down of the unprofitable Computing Products and Enterprise Hardware Solutions businesses and product rationalization actions taken by a major Consumer Distribution Principal. However, the overall Services and Distribution businesses were on a positive growth track and delivered a Y-o-Y growth of 30% and 20% respectively. Also the revenue from overseas business in Services has registered a growth of 156% going up from Rs. 112 Crores in FY14 to Rs. 287 Crores in FY15.

Our Distribution businesses are poised for further positive traction on the back of 31% Q-o-Q growth in Enterprise Distribution and 26% Q-o-Q growth in Consumer Distribution in Q4 2015. Enterprise Distribution enhanced its channel partner network as well as its portfolio of alliances with Principals by adding 900 Channel Partners and 11 new Principals. In FY15 Enterprise Distribution business clocked Rs. 666 Crores, over Rs. 100 Crores up from the FY14 top-line of Rs. 562 Crores. In the Consumer Distribution business the highpoint was the 3 year extension of the

relationship with Microsoft. The business also expanded its product portfolio and launched online channel operations thereby opening up a key and fast growing sales channel. It is important to note that Microsoft launched Windows 10, which holds great promise in the medium and long term, given the buildup of the ecosystem.

The Services business, which is one of our growth engines, witnessed strong positive traction growing total revenues by 30% from Rs. 716 Crores in FY14 to Rs. 927 Crores in FY15. The Enterprise Services business grew by 19% Y-o-Y and won multiple prestigious client engagements against strong competition. Infrastructure Managed Services (IMS) achieved over 80% client renewal and the Multi-Vendor Technology Services (MVTs) business focused on profitability, efficiency and contract rationalization. Our endeavor going forward in Enterprise Services is to focus on new outreaches with market and technology relevant offerings. We have invested in capability and tools here and would continue to do so in the coming years as we push for leadership in key emerging areas of Infrastructure Management. I am glad to inform that our Consumer Services business has registered an exceptional growth of 132% Y-o-Y. The business created new benchmarks in after-sales support by delivering consistent service excellence. I foresee good potential for sustained growth in this business by expanding services to more consumer digital products as well as expanding global reach. This space is quite aligned to the "e-commerce" space in growth and experience and we are investing to create newer business models and use cases.

In FY15 the System Integration (SI) business continued to focus on efficient execution of the current order book and also moved towards transitioning to an SI services-centric



Services and Distribution businesses delivered a Y-o-Y growth of 30% and 20% respectively

Global Services business has registered a growth of 156% going up from Rs. 112 Crores in FY14 to Rs. 287 Crores in FY15.

The Financial Inclusion business registered 56% growth in Y-o-Y revenue and 150% Y-o-Y growth in banking transactions

One of the company's key engagements, the Unique Identification Authority of India (UIDAI) project had enrolled about 87.50 Crores Aadhaar's till the end of Q4 FY15

Our Infrastructure Managed Services and Multi-Vendor Technology Services were ranked in the Champions' Quadrant in the Dataquest Customer Confidence Survey

OCEAN, our proprietary channel management platform was recognized for business technology excellence by Dataquest

Consumer Services were conferred Mobility Retailer of The Year Award by the Asian Retail Conference

The company's Quality Function was recognized with two Awards by the World Quality Congress.

and asset-light business model. SI revenue has gone up by more than 18% from Rs. 647 Crores in FY14 to Rs. 767 Crores in FY15 and continues to work with the Government and Defense establishments in various mission-critical projects. One of the company's key engagements, the Unique Identification Authority of India (UIDAI) project had enrolled about 87.50 Crore Aadhaar's till the end of AMJ quarter FY15.

The Financial Inclusion (FI) business of the company has been in sync with the government's focus on reaching out to the vast un-banked and under-banked population. We are proud to be part of this nation building mission. During the year, the FI business registered 56% growth in Y-o-Y revenue and 150% Y-o-Y growth in banking transactions.

The transition of the Learning business into an asset-light, content focused business model resulted in a decline of Rs. 67 Cr. in FY14 to Rs. 33 Cr in FY15. The decline in revenue has been offset by a growth of 43.75% Y-o-Y in EBITDA which is also a reflection that the business is on the correct course towards future growth. In this business, we have looked at the need to differentiate through Content and Channels and the company has made key investments on this.

During the year under review, your company was recognized on multiple occasions for business and technology excellence. Our Infrastructure Managed Services and Multi-Vendor Technology Services were ranked in the Champions' Quadrant in the Dataquest Customer Confidence Survey. OCEAN our proprietary channel management platform was recognized by Dataquest for Business Technology Excellence. Consumer Services were conferred Mobility Retailer of The Year Award by the Asian Retail Conference. The company's Quality Function was recognized with two Awards by the World Quality Congress.

As we move forward into FY16, we are on a sure and strong footing to achieve sustainable growth. We also realize that these are but the first milestones of a long and challenging journey. However, the growth indicators are both positive and promising for all our focus businesses. The impetus from the Government of India on Digital India, Smart Cities, Make in India, Internal Security positions us as an unique player to address these opportunities directly and creatively. The synergies inherent in our businesses will significantly multiply the growth potential. Our aim is to be a preferred technology lifecycle partner for our clients and a great place to work for our employees. With a new and talented leadership team, market aligned businesses, aggressive go-to-market strategies and rigor in driving operational efficiencies - we are confident that we will create better value for our customers, partners and shareholders and ensure that HCL Infosystems gains its rightful place in the industry.

With Warm Regards
Premkumar Seshadri,
Executive Vice Chairman and Managing Director,
HCL Infosystems Ltd.

FINANCIAL HIGHLIGHTS

Revenue and Profitability (Consolidated)

₹/Crores

YEAR ENDED JUNE 30	2015	2014	2013	2012	2011
Total Revenue	6,284	7,955	9,360	10,856	11,548
PBIDT	21	23	63	215	347
Interest	143	156	137	85	80
Depreciation	52	53	52	46	38
Profit (Loss) before Tax	(174)	(186)	(126)	84	229
Provision for Tax	11	29	(46)	14	60
Profit (Loss) after Tax (PAT)	(185)	(215)	(80)	70	169
Profit available for Appropriation	263	448	666	817	972
Equity Dividend	Nil	Nil	Nil	67	176
Basic Earning Per Share (₹)*	(8.29)	(9.62)	(3.59)	3.23	7.67
PBIDT (%)	0.3%	0.3%	0.7%	2%	3%
Profit before Tax/Revenue (%)	(3%)	(2%)	(1%)	1%	2%
Return on Net worth (%)	(15%)	(15%)	(4%)	4%	9%
Return on Capital Employed (%) #	(1%)	(1%)	0.4%	6%	12%
Equity Dividend (%)	Nil	Nil	Nil	150%	400%

* Based on equity shares of ₹ 2/- each on Balance Sheet date.

Calculated on "PBIDT"

Assets and Liabilities (Consolidated)

₹/Crores

AS ON JUNE 30	2015	2014	2013	2012	2011
Sources of Funds					
Equity Funds	45	45	45	45	45
Reserves and Surplus	1,213	1,398	1,790	1,866	1,863
Minority Interest	-	-	-	-	4
Borrowings	1,251	1,112	1,094	691	628
Other Current and Non Current Liabilities	1,438	1,956	2,749	2,424	2,166
Total	3,947	4,511	5,678	5,026	4,706
Application of Funds					
Net block	811	920	411	405	369
Investments	235	175	919	432	607
Deferred Tax Assets (Net)	1	5	73	27	22
Other Current and Non Current Assets	2,900	3,411	4,275	4,162	3,708
Total	3,947	4,511	5,678	5,026	4,706

MANAGEMENT DISCUSSION & ANALYSIS



- *Market-aligned organization structure in place*
- *Organization now in position to effectively address major market opportunities*
- *Key market-alignment strategy elements defined in the table below*
- *Clearly articulated strategies and plans under execution for all business units*
- *All business units are tasked with four common objectives:*
 - *Revenue Growth*
 - *Margin Enhancement*
 - *Cost & Cash flow Optimization*
 - *Leverage of Intellectual Assets and Customer base*

1. Market Dynamics Aligned Organization Structure

The core focus of the Company in FY15 has been to build an organisation that effectively addresses the demands and opportunities of a changing market. We successfully worked on the restructuring exercise initiated in FY13 through to FY14-15. As we continue to repurpose this organisation, the endeavour has been to meet the evolving demands and dynamics of the industry and markets within which we operate and concurrently enhance operational efficiencies and drive business growth. Key elements of the market-alignment strategy:



Clear and defined road-map to drive sustainable business growth and profitability

Market-aligned structure in place which is delivering encouraging results

Concerted actions taken to address key areas needing attention at the time of the restructuring exercise.

Focused LOBs

High Market Demand
Leverageable Assets & Capabilities



Market-aligned offerings configured for all Lines of Business (LOB)
Roll-out of differentiated & IP enabled services & products
Powerful OEM alliances and pan India channel networks for all LOBs

Right Talent Infusion

Leadership Team
Operational Management



Best-of-breed talent inducted from leading global enterprises
Sustained focus & investment in productivity improvement
Rigorous performance management process

Asset-light Business Model

Low Capex
Minimized Risk



All LOB's offerings are asset-light
Focus on productized & margin-enriched offerings
Rigorously risk-mitigated contract management

Asset Management Rigour

Strengthening future Governance



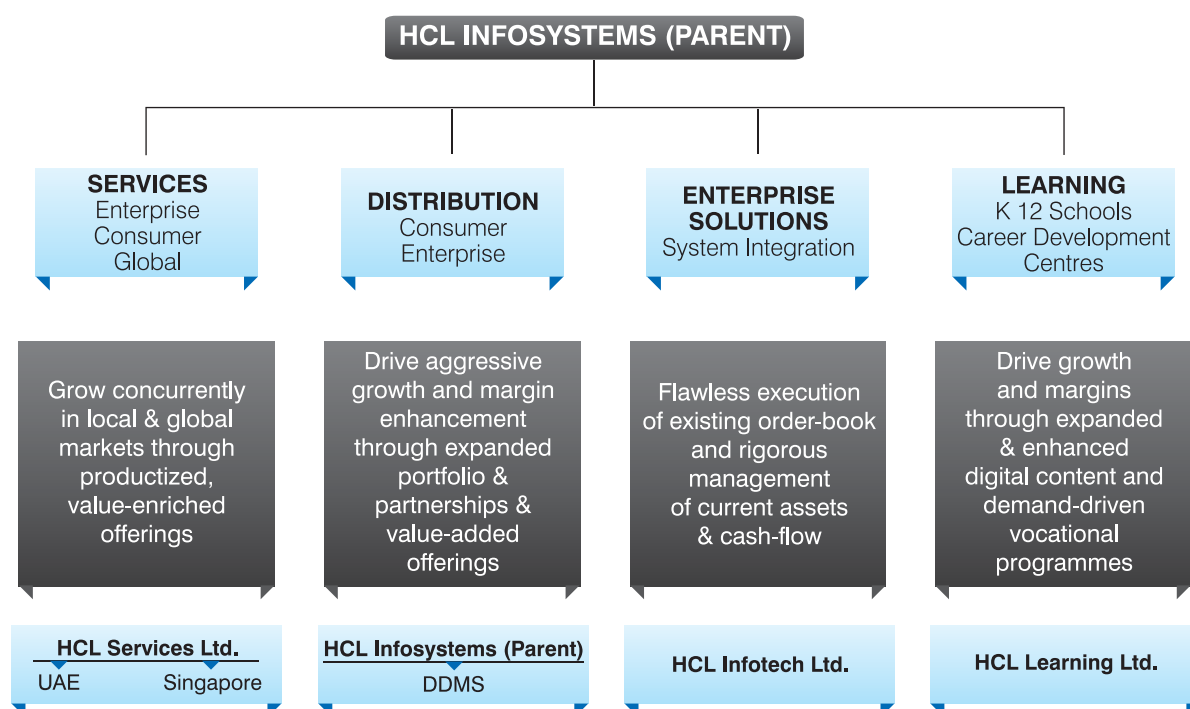
Intense focus on risk mitigation & minimization
Significantly enhanced engagement governance rigour

Based on our analysis of the market environment and matching our capabilities to market opportunities we have articulated clear directions and strategies for each of our focused businesses with four common goals:

- Revenue Growth
- Margin Enhancement
- Cost & Cash flow Optimization
- Leverage of Intellectual Assets and Customer base

We have taken some significant steps forward in our transformation journey. We are equally cognizant of the long road ahead. However, the indicators are both positive and promising including the multiple awards and recognitions almost each one of our businesses has received from the Industry. With the new leadership team, directional plans and strategies firmly in place we are confident that the realigned business model will create better value for our customers, partners and shareholders.

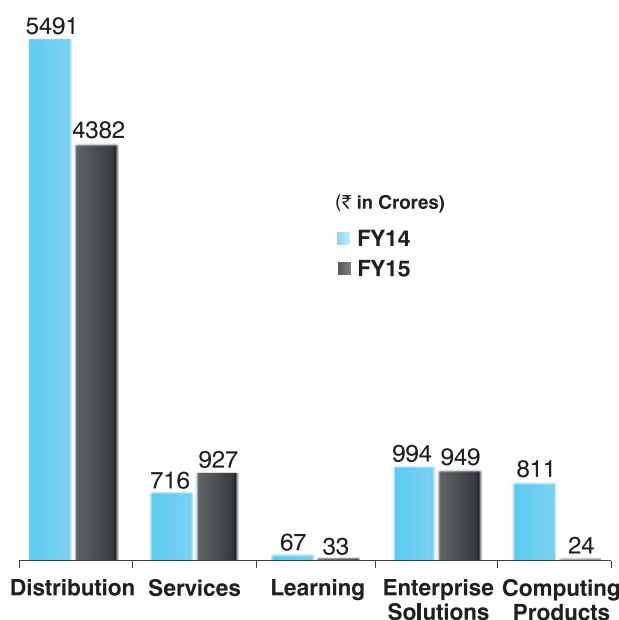
The diagram below represents the company's market-aligned business configuration:



2. Businesses Performance & Highlights

For the purpose of financial reporting, the businesses have been arranged as per the following primary segments:

Business Segments	Lines of Business
Distribution	⌚ Third-Party Consumer Products (including Telecom) and Enterprise Products
Services	⌚ Enterprise Services, Consumer Services (Care)
Learning	⌚ K-12 Schools, Career Development Centres
Enterprise Solutions	⌚ System Integration, Enterprise Hardware & Solutions & Financial Inclusion
HCL Branded Computing Products	⌚ PCs & Tablets (wind down business)



Overall revenues declined from INR 7852 Crores in FY14 to INR 6220 Crores in FY15. This was primarily due to the continued process of scaling down of the unprofitable Computing Products and Enterprise Hardware Solutions businesses. FY15 revenues were also adversely impacted by the product rationalization actions taken by a key Consumer Distribution Principal, which affected product availability. On the positive side the Enterprise and Consumer Services businesses together delivered a Y-o-Y top line growth of 30% and the Enterprise Distribution business chimed in with a Y-o-Y increase of 19%.



Overall revenues declined by 21% due to scaling down of unprofitable businesses & telecom product rationalization by a key Principal in Consumer Distribution

Services business Y-o-Y growth – 30%

Enterprise Distribution Y-o-Y growth – 19%

2.1. The Distribution Business - Enterprise & Consumer (HCL Infosystems Parent & DDMS)

Both Distribution businesses play in large markets and offer significant opportunities for sustained growth. During FY15 HCL Consumer Distribution signed a 3 Year extension of the relationship with Microsoft and concurrently initiated a significant expansion of the product portfolio and launched the online channel operations. During the year the in-house developed channel management portal, OCEAN received 2015 Dataquest Award for Business Technology excellence. Enterprise Distribution business grew 19% Y-o-Y in FY15. In the AMJ 2015 quarter the business achieved robust growth and entered into a number of strategically significant alliances as well as expanded the channel partner network and consolidated relationships with key Principals such as Dell and Microsoft.

In FY15 the focus of the Enterprise Distribution business was to leverage the Value-Added Distribution model and strategy to expand and enhance the channel partner network as well as the portfolio of alliances with Principals. To this end, during the year the business added 900 Channel Partners and 11 Principals. Another key strategy element was to reduce direct cost of sales and increase channel sales throughput. From July 2014 to June 2015 the channel sales mix as a proportion of total sales has increased from 17% to 51%. During the year the Enterprise Distribution business generated average monthly revenues of INR ~50 Crores over the first 3 quarters and INR ~80 Crores in the 4th Quarter. The potential of significant and inherent synergy between Enterprise Distribution and Enterprise Services is a key area of ongoing focus and provides an additional stream of value-enriched revenue. Both the Distribution businesses are on a sustainable growth trajectory.



Enterprise Distribution

Added 900 new Channel Partners & 11 new Principals

Increased Channel sales mix from 17% in FY14 to 51% in FY15

Increased average monthly revenue by 60% between the first 3 Quarters and Quarter 4

The Consumer Distribution business continues to be impacted by market fragmentation, competition and product rationalization by the Principal. Despite these factors the business witnessed healthy growth both in the value & volume categories with the Entry category achieving 24% sequential growth in Q4 and the Windows phone category registering 33% growth in Q4 over Q3. Personal Care products registered 95% growth over the last quarter. The business continued expanding its distribution footprint by increasing the number of dealers by 12% during the AMJ quarter.



Consumer Distribution

Signs a 3 Year extension of the Microsoft Contract

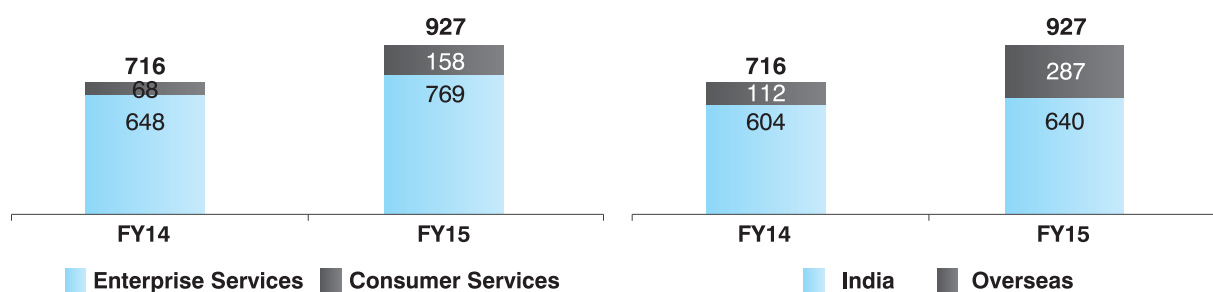
OCEAN - the proprietary channel management portal receives DQ Award for Business Technology Excellence

Encouraging Q3 to Q4 growth in Entry level & Windows Phones

2.2. The Services Business – Enterprise Services & Consumer Services

In FY15, the total revenue from Services business grew 30% from INR 716 crores to INR 927 crores.

(₹ in Crores)



The Enterprise Services' business generated revenues of INR 769 Crores in FY15 compared to INR 648 Crores in FY14, registering a growth of 19% Y-o-Y.

Infrastructure Managed Services (IMS): Delivered a robust performance, winning multiple prestigious client engagements against stiff competition. Enabled by exceptional delivery performance and after-sales service, the business achieved over 80% client renewal. The proprietary MAESTRO EMS platform continues to create a competitive differentiation in this service space.

Multi-Vendor Technology Services (MVTs): In FY15 the focus of MVTs was on increasing margins and rationalising contracts. During the year both the MVTs and IMS service offerings were ranked in the Champions' Quadrant by Data Quest Customer Confidence Survey. In addition HCL Services was recognized as the IT Service Provider of the Year by Frost & Sullivan, a major global Industry Analyst.

The ongoing management focus is on roll-out of multiple market-aligned, technology-enabled offerings and accelerated expansion of the sales pipeline and order book.



Enterprise Services

Y-o-Y revenue growth of 19%

IMS business achieves 80% client renewal

MAESTRO – proprietary EMS platform enables major client wins

MVTs & IMS service lines ranked in the Champions' Quadrant in the 2015 DQ Customer Confidence Survey

HCL Services awarded IT Service Provider of the Year by Frost & Sullivan

Consumer Services: The business continued delivering consistent service excellence and created new benchmarks in after-sales support. This translated into key deals with major OEMs, enabling the business to clock 132% Y-o-Y growth. The combination of business performance and service excellence resulted in HCL Consumer Services being recognized as Retailer of the Year (Mobility & Telecom) by the Asia Retail Excellence organization. The potential of leveraging product support expertise spanning a broad spectrum of digital product and appliances offers significant headroom for sustained business growth.



Consumer Services

Y-o-Y revenue growth of 132%

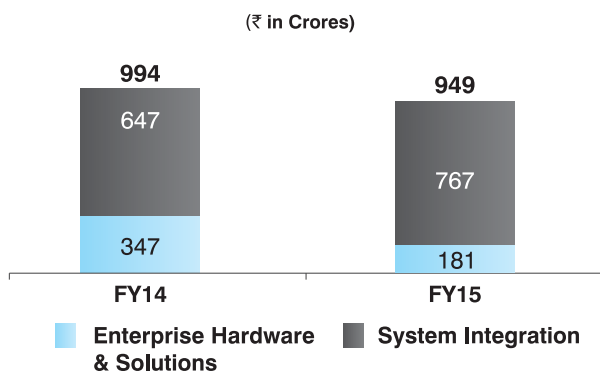
Significant improvement in Gross Margins

Awarded Retailer of The Year (Mobility & Telecom) by the Asia Retail Excellence organization

2.3. Enterprise Solutions – System Integration/Financial Inclusion & Enterprise Hardware

The System Integration business continues to focus on efficient execution of the current order book.

The business continues to work with the Government and Defense sectors in major mission-critical projects. The Unique Identification Authority of India project progressed on track, enrolling about 87.50 Crore Aadhaars' till end of AMJ quarter FY15. New projects such as Child Enrolment, Mobile Update, Digi Locker, Portals were released for Aadhaar based services in the AMJ quarter. In the course of executing such complex and technologically challenging projects we have developed significant and leverageable intellectual properties and methodologies. Accordingly, we have initiated a project to develop a framework and strategy to monetize these assets in local as well as global markets.



System Integration

Continued focus on efficient project execution and current asset management

Almost 900 million unique identities generated in the Aadhaar Card Project

Execution in-process for multiple major mission-critical Government and Defence Projects

The Financial Inclusion (FI) business received impetus from the Government of India's flagship financial inclusion programme - Pradhan Mantri Jan Dhan Yojana and rolled-out two government-sponsored insurance schemes during the AMJ quarter. During the year, the FI business registered 56% growth in Y-o-Y revenue and 150% Y-o-Y growth in banking transactions. The business' multiple client portfolio enabled the provision of financial services at an affordable cost to sizeable segments of the vast unbanked and under-banked population.



Financial Inclusion

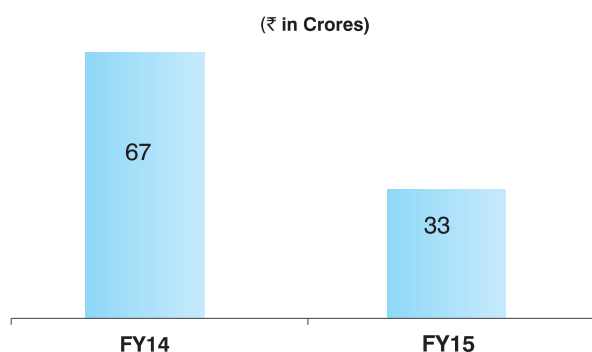
Enrolled 7 million rural citizens into the banking system

56% Y-o-Y growth in revenue and 150% Y-o-Y growth in banking transactions

2.4. HCL Learning – K-12 & Career Development Centres (CDC)

HCL Learning won industry accolades for providing interactive and comprehensive content solutions and was recognized for 'Quality Excellence in Learning Outcomes' at the World Quality Congress Awards held in Mumbai. The business registered a Q-o-Q growth of 20% and tied up with Microsoft to take IT Academy and Microsoft Office Specialist championship to the market. HCL Learning also won deals to provide its cutting edge learning solutions to leading institutions in the country. The adoption of an asset-light, content-focused business model is reflected by an initial adverse impact on revenue, but at a lower EBITDA loss.

The CDC line of business is being reconstructed with a rationalized, market-demand focused curriculum.



The content-focused, asset light Learning business model adversely impacted FY15 revenues, but improved EBITDA

Recognized for 'Quality Excellence in Learning' by the World Quality Congress

2.5. HCL Branded Computing Products Business Segment

The company has completed winding down the Computing Products Business Segment post the exit from the manufacturing of the Computers/Tablets in 2013.

3. HCL Infosystems – FY15 Financial Brief

The Company generated revenues of INR 6220 Crores. The operating profit before provisions for doubtful debts is INR 13 crores. However, the wind down of specific unprofitable businesses resulted in additional write-offs & impairments. We have taken provisions for doubtful debts of INR 98 crores.

On FY15 revenues of INR 6220 Crores the company generated an operating profit of INR 13 Crores before provision for doubtful debts

4. Quality Initiatives

FY15 has been a year of enhanced quality engagements with clients, business units and functions. The focus has been to consistently deliver superior value to clients through service excellence and operational efficiencies. While service excellence enables client loyalty and therefore retention/renewals, operational efficiencies positively impact the cost-to-serve.

In order to drive enhanced client experience, the CSAT Survey process was revised and strengthened with the implementation of the Unified Escalation Desk. This has enabled closure of client escalations within the committed turnaround time.

For sustained service excellence across all operations and regions, a monthly Regional Service Council (RSC) has been established. This is a collaborative platform for Sales, Delivery and enabling functions to review and share the regional level improvement initiatives and best practices on People, Process and Customer management. During the year around 20 RSCs have been conducted, resulting in adoption of many best practices from one zone to another and from corporate level to Regional level.

Focus on Service Excellence & Operational Efficiencies to improve client retentions & renewals and reduce cost-to-serve

Implementation of Unified Escalation Desk to accelerate Client issue resolution

Roll-out of joint Quality Improvement projects with multiple major clients

In the continuous improvement initiative over 250 employees have been trained on Lean Six Sigma and 25 employees have been awarded Lean Six Sigma Certifications. We have also engaged with and completed multiple Joint Quality Improvement projects with a number of prestigious clients.

The Qkonnnect Program (to build a Quality Culture and enable basic quality competency across the organization) is under implementation. To date 8 internal sessions and 11 client sessions have been successfully completed.

In order to monitor and track the performance of each project/account, your company has launched and initiated a GQFD process which reviews each account on four dimensions i.e. Governance, Quality, Financials & Delivery. Various supporting initiatives such as CSI (Continual Service Improvements), Immediate Action Reports (IAR) and Early Warning Reports (EWR) are enabling the implementation and successful outcome of the process.

Enabling functions played a vital role in successful achievement of business results. Your company has initiated focused efforts to have Quality engagements with all the enabling functions to strengthen the development and continual improvement of enabling processes, policies and systems.

On the System Certification front, the Company successfully achieved the continuation of Service Management System (ISO 20000-1), Certification for IMS (Infrastructure Managed Services) business, Quality Management System (QMS) – ISO 9001 for MVTs & OA Lines of businesses, Service Information Security Management System (ISO 27001) for Data Centre and Environment Management System (ISO 14001) for Repair Centre (Consumer Services).

Your Company manages a comprehensive Process & Policies portal known as Integrated Quality Management System (iQMS) for all subsidiaries and Lines of Business. This year we have also launched SMART iQMS to facilitate our field employees to refer this process repository on their mobiles while on field. It also facilitates users by providing Knowledge Management Content and industry best practices.



Rigorous assessment of Client engagement quality through GQFD process – i.e. Governance/Quality/Financials/Delivery

Continuous Quality engagements with all enabling functions to continuously improve operational efficiency and organizational performance

Launch of mobile-enabled Integrated Quality Management System for the Field Support Force

5. Business Risks & Mitigation Measures

Performance of our various businesses can get impacted by the various risks posed by external environment. Your Company continuously revisits the Enterprise Risk Management (ERM) framework and strengthens it to address various risks to our businesses. The risk management programme (ERM) involves risk identification, assessment and risk mitigation planning for strategic, operational and compliance related risks across business units and functions.

Risk Measurement is done through well-defined metrics that are linked to the outcome. Periodic monitoring of risk is done by tracking the identified metric. Based on the overall risk performance, the mitigation action is refined and re-planned. The ERM framework forms an integral part of the quarterly management reviews.



Risk Management Programme (ERM) involves risk identification, assessment and risk mitigation planning for strategic, operational and compliance related risks across business units and functions

Risk Measurement is done through well-defined metrics that are linked to the outcome. Periodic monitoring of risk is done by tracking the identified metric

The following table provides a glimpse of some of the key risks and their mitigation measures that the Company tracks regularly at an overall level (in addition to the individual business risks tracked at the individual business level):

S.No.	Risk Category	Risk Description	Mitigation Action Plan
1	Treasury Risk	<ul style="list-style-type: none"> • Hardening of interest rate increases costs, particularly for high working capital cycle businesses • High cost of borrowing with any fall in credit rating 	<ul style="list-style-type: none"> • Daily/ Weekly cash flow management to reduce need for borrowings • Meet WC related borrowings through appropriate supplier credits • Improve business performance
2	Human Capital Risk	<ul style="list-style-type: none"> • As the job market heats up, there can be a potential increase in employee attrition, increasing costs as well as operational issues especially in businesses that are people-dependent (all service businesses) • Undesirable attrition 	<ul style="list-style-type: none"> • Comprehensive employee engagement program • Succession Planning • Compensation plans
3	Regulatory Risk	<ul style="list-style-type: none"> • Non- compliance to Labour, Fiscal & Environmental Laws • Criminal Liabilities / Stiff Penal Provisions (e.g. High Penal interest on default in payment of Service Tax) 	<ul style="list-style-type: none"> • A checklist of regulatory compliances for each key manager and monthly/quarterly compliance certification by each relevant manager • Periodic self-assessment & audit
4	Disruptive Technology & Changes in Consumer Preferences	<ul style="list-style-type: none"> • A technology business is always exposed to sudden and unanticipated technology disruptions. This exposes the Company to product obsolescence and potential missing of business opportunities 	<ul style="list-style-type: none"> • Identify future technology trends and select some of them to set up a beachhead (e.g. Cloud, Mobility, Analytics etc.) • Periodic audit to keep a check on inventory in entire supply chain & products exposed to rapid technology churn
5	Changes in Portfolio or Health of major Distribution Partners or Vendors	<ul style="list-style-type: none"> • High degree of dependence on a particular supplier or Business Partner exposes us to swings in the business based on performance of vendor/partner (e.g. Microsoft in our Distribution business) 	<ul style="list-style-type: none"> • Portfolio diversification in Distribution • Vendor diversification to ensure dependence on a single supplier is eliminated wherever possible
6	Fixed Cost pressure due to Restructuring/ Market Environment	<ul style="list-style-type: none"> • Drop in sales and GM earned while fixed costs in the business remain fixed 	<ul style="list-style-type: none"> • Constant review of fixed costs • Optimize or variablize fixed costs to the extent possible
7	Customer Credit Risk	<ul style="list-style-type: none"> • Customer default in payments (especially channel partners, private schools, Government / PSUs) 	<ul style="list-style-type: none"> • Credit controller to approve bids to Enterprise/Government/SMB customers with a clear NO-GO on 'Restricted Parties' • Credit Controller to approve credit limit for each channel partner • Credit Insurance of Credit offered to all the channel partners

S.No.	Risk Category	Risk Description	Mitigation Action Plan
8	Brand Positioning & Reputational Risk	<ul style="list-style-type: none"> Negative reports in media – print, online and social media, damaging customer and stakeholder perception 	<ul style="list-style-type: none"> Pro-active engagement through positive news dissemination, increasing social media presence and resolving customer queries through social media
9	Business Continuity Plan (BCP)	<ul style="list-style-type: none"> Disruption in business operation due to any natural or manmade disasters 	<ul style="list-style-type: none"> Data replication for SAP with RPO of 4 hrs. at BCP Site. Capacity enhancement to take care of 50% of operation load during disaster DR strategy for other business applications, interfacing with SAP, to be formulized and periodically reviewed Separate BCP is being prepared for every business

5. Internal control systems and their adequacy

Your Company has put in place controls that are commensurate with the size and nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. These processes are continuously reviewed and revised as a part of the iQMS framework.

Your Company has an Internal Audit function designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations such as accounting and finance, procurement, employee recruitment, statutory compliances, IT processes, safeguarding of assets and their protection against unauthorized use, among others. The Internal Audit function performs the internal audit of Company's activities based on an Internal Audit plan, which is reviewed each year in consultation with the Audit Committee. The Audit Committee reviews the reports submitted by internal auditors. Suggestions for improvement are considered and the Audit Committee follows up on corrective action. Disciplinary action is taken, where required, for non-compliance to corporate policies and controls.



Processes are continuously reviewed and revised as a part of the iQMS framework

Internal Audit function performs the internal audit of Company's activities based on a yearly plan

6. Human Resource Development

Over the past 39 years, HCL Infosystems has built an enviable track-record of talent acquisition & development and innovative People policies. In fact, today HCL Infosystems' alumni populate the senior management cadre of most major IT companies as well as other major industry segments. Our entrepreneurial heritage and culture has consistently enabled us to attract appropriate talent. In recognition of our innovative policies and practices we were ranked among Top 50 Best IT & IT- BPM Organizations to Work for in India by the Great Place to Work survey. As on 30th June 2015, the employee strength of your Company stands at 5257. Besides full time employees your Company also engages over 7063 associates for various short term projects from time to time.

Talent Acquisition: During the year the company further strengthened the leadership team by inducting high-performing senior executives for key roles from globally reputed organizations. Consequently, the top management strata comprises of a mix of internally grown and externally recruited managerial talent.



Ranked among the Top 50 Best IT & IT-BPM Companies in the Best Place to Work Survey

Company headcount on 30th June 2015 – 5257

Leadership team further strengthened by induction of senior management talent from globally reputed organizations

During the year your Company revived the Senior Management Trainee programme. In the past this programme has produced some of the most exceptional managerial talent in the industry. In addition, we continue to focus on attracting entry level talent through the Management Trainee and Customer Engineer recruitment programmes with more than 200 campus visits in the year.

Talent Development: Aligned to the altered business configuration and focus, your Company made significant investments in skill & competency enhancements for individuals, work-teams and functions. Last year, we completed 32,393 Man-days of classroom training consisting of 302 programmes. In addition, blended learning opportunities were provided through experiential learning, online learning etc. Our Training & Development Process consists of a 4-Dimension model delivered through three programmes: iLearn – for Technical & Domain Learning, iWin – for Sales Training & iLead for Leadership Development.

Talent Engagement: During the year, your Company conducted employee engagement survey, MyVoice - 2015, that presented high engagement score with close to 95% employees providing their feedback. HCLites rated high on engagement drivers of Pride of association with Job Perception. Managerial Effectiveness & Team cohesiveness have been identified as areas to strengthen and your Company is actively working on improving the scores on these parameters. Attrition for the year was 22.18% and continues to be in line with industry-wide trends.



High level of employee engagement - 95% response to engagement survey

Attrition for the year was 22% - in line with industry norms

DISCLAIMER

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over which the Company does not have any direct control, could make a significant difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward looking statements. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertains to HCL Infosystems Limited and its subsidiaries on a consolidated basis, unless otherwise stated.

Financial Comments on consolidated operations for the year ended June 30, 2015

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till such time the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) (Companies Accounting Standards Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

The consolidated financial statements have been prepared in compliance with the Accounting Standard AS 21 on Consolidation of Accounts and presented in a separate section of the Annual Report.

The Management Discussion and Analysis on Financial performance relates to Consolidated Financial statements of the Company and its subsidiaries. This should be read in conjunction with the financial statements and related notes to the consolidated accounts for the year ended June 30, 2015.

RESULTS OF OPERATIONS

₹ Crores

Particulars	FY 15	FY 14
Revenue	6,220	7,852
Cost of Sales	5,279	6,890
Gross Margin	941	962
Personnel Costs	582	572
Administration, Selling & Others	327	378
Depreciation	52	53
Interest income on Lease Rental	35	46
Exchange differences	6	71
Operating Other Income	4	11
Operating Profit Before Doubtful Debts Provision	13	-55
Provision for Doubtful Debts	98	40
Investment & Other Income	25	51
Borrowing costs	143	156
Profit Before Exceptional Items and Tax	-203	-200
Exceptional Items (Gain/ (Loss))	29	14
Tax Expense	11	29
Profit After Tax	-185	-215

Gross Business Income

Consolidated Revenues for the year were ₹ 6,220 crores as against ₹ 7,852 crores in the previous year.

The decrease is mainly due to phase out of HCL Branded Products, and in Telecom distribution business due to product rationalisation.

Gross Margin

Gross margin percentage increased by 280 bps to 15.1% in FY 2015 mainly on account of change in revenue mix. In absolute terms, gross margin was ₹ 941 crores as against ₹ 962 crores in the previous year, mainly on account of lower revenue.

Personnel Costs

Personnel costs increased from ₹ 572 crores in FY 2014 to ₹ 582 crores in FY 2015. The increase is primarily for ramp up in overseas services business.

Administration, Selling and Other Expenses

Administration, Selling & other expenses were ₹ 327 crores in FY 2015 as against ₹ 378 crores in FY 2014. The decrease is mainly on account of reduction in advertisement, publicity and entertainment cost by ₹ 32 crores, due to phase out of HCL Branded products.

Depreciation

Depreciation was ₹ 52 crores in FY 2015 as against ₹ 53 crores in FY 2014.

Interest income on Lease Rental

Interest income on Lease rentals decreased from ₹ 46 crores in FY 2014 to ₹ 35 crores in FY 2015. This income is operational in nature, on assets offered to our customers on a managed lease as a part of our offering in Learning and Solutions businesses.

Operating Other Income

Operating other income, representing write back of provisions no longer required decreased from ₹ 11 crores in FY 2014 to ₹ 4 crores in FY 2015.

Operating Profit

Operating profit before exceptional items and doubtful debts was ₹ 13 crores in FY 2015 as against negative ₹ 55 crores in FY 2014.

Provision for Doubtful Debts

Continued delay in realisation of receivables, led to impairment provision of ₹ 98 crores in FY 2015 as against ₹ 40 crores in FY 2014.

Investment & Other Income

Investment & Other income in FY 2015 was ₹ 25 crores as against ₹ 51 crores in FY 2014, decrease is mainly due to lower average investments level during the year.

Finance Costs

Finance costs in FY 2015 were ₹ 143 crores as against ₹ 156 crores in FY 2014.

Exceptional Items

₹ crores

Net Gain from Exceptional items was ₹ 29 crores in FY 15 as against ₹ 14 crores in FY 14.

Particulars	FY 15	FY 14
a. Inventory write off due to phasing out of a product line	5	14
b. Impairment of Goodwill	0	8
c. Profit on sale of Subsidiary	20	0
d. Profit on sale of properties*	14	36
Total (c + d - a - b)	29	14

*Mainly Land assets

HCL INFOSYSTEMS

Tax Expense

Tax expense was ₹ 11 crores in FY 2015, comprising of current tax (net of MAT Credit) ₹ 5.5 crores and derecognition of deferred tax assets ₹ 5.6 crores. FY 2014 included ₹ 25.5 crores deferred tax asset derecognised based on virtual certainty condition (requirement as per Accounting Standard 22)

Profit after Tax

Profit after Tax for FY 2015 was negative ₹ 185 crores as against negative ₹ 215 crores in FY 14.

FINANCIAL CONDITION

₹ crores

	FY 15	FY 14
EQUITY AND LIABILITIES		
Net Worth	1,258	1,443
Non Current Liabilities	271	434
Current Liabilities	2,418	2,634
Total	3,947	4,511
ASSETS		
Fixed Assets	811	920
Non-current Assets	274	318
Investments	235	175
Current Assets	2,627	3,098
Total	3,947	4,511

Net worth / Shareholders funds

Net Worth was ₹ 1258 crores as at June 30, 2015 as compared to ₹ 1443 crores as at the close of the previous year. The change in Net Worth is mainly due to the loss during the year of ₹ 185 crores.

Non Current Liabilities

Non Current Liabilities decreased from ₹ 434 crores as at June 30, 2014 to ₹ 271 crores as at June 30, 2015, mainly due to decrease in Bank borrowings and Term loans by ₹ 152 crores and trade payables and acceptances by ₹ 10 crores.

Net Borrowings

The Net borrowings increased by ₹ 292 crores in FY 2015 from ₹ 590 crores as at June 30, 2014.

₹ crores

Particulars	FY 15	FY 14
Borrowings	1,251	1,112
Less : Investments	235	175
Less : Cash & Bank	134	347
Net Borrowings	882	590

Current Liabilities

Current Liabilities were at ₹ 2,418 crores as at June 30, 2015 as compared to ₹ 2,634 crores as at June 30, 2014. The details are as follows:

- Trade Payables (including acceptances) were lower by ₹ 363 crores, from ₹ 1436 crores as at June 30, 2014 to ₹ 1,073 crores as at June 30, 2015.
- Other Current Liabilities were lower by ₹ 189 crores, mainly due to decrease in the advances received from customers by ₹ 115 crores, from ₹ 209 crores as at June

30, 2014 to ₹ 94 crores as at June 30, 2015 and decrease in current maturities of loan by ₹ 59 crores, from ₹ 430 crores as at June 30, 2014 to ₹ 371 crores as at June 30, 2015.

- The Short Term Borrowings were higher by ₹ 350 crores, from ₹ 294 crores as at June 30, 2014 to ₹ 644 crores as at June 30, 2015. The increase is mainly due to commercial papers of ₹ 300 crores taken during the current year.
- Short Term Provisions were lower by ₹ 14 crores from ₹ 30 crores as at June 30, 2014 to ₹ 16 crores as at June 30, 2015.

Fixed Assets

Fixed Assets as at June 30, 2015 were ₹ 811 crores including Goodwill on consolidation ₹ 578 crores.

Non Current Assets

Non- Current Assets were at ₹ 274 crores as at June 30, 2015 as compared to ₹ 318 crores as at June 30, 2014. The details are as follows:

- Lease rent recoverable were at ₹ 153 crores as at June 30, 2015 as against ₹ 242 crores as at June 30, 2014.
- Deferred Tax Assets (Net) decreased by ₹ 5 crores from ₹ 5 crores as at June 30, 2014 to ₹ Nil as at June 30, 2015.
- Long Term Loans and Advances increased by ₹ 50 crores from ₹ 70 crores as at June 30, 2014 to ₹ 120 crores as at June 30, 2015.

Investments

The investment decisions of the company are guided by the tenets of Safety, Liquidity and Return. The Company reviews the portfolio of investments and rebalances it in line with the changing risk/return scenario.

Investments in debt mutual funds as at June 30, 2015 were ₹ 235 crores as compared to ₹ 175 crores as at June 30, 2014.

Inventories

Inventories as at June 30, 2015 were ₹ 255 crores as against ₹ 436 crores as at June 30, 2014.

Inventory turnover on sales in financial year ended 2015 was at 24 times as against 18 times in the previous year. The increase in inventory turnover is primarily due to lower inventory levels in consumer distribution business.

Trade Receivables

Debtors as at June 30, 2015 were ₹ 904 crores as against ₹ 865 crores as at June 30, 2014. Debtors as number of days of sales in FY 2015 was at 53 days as compared to 40 days in the previous year. The increase in number of days is primarily due to lower revenue.

Cash and Bank

Cash in hand & Balances with Bank in collection / disbursement accounts and term deposits were ₹ 134 crores as at June 30, 2015 as against ₹ 347 crores as at June 30, 2014.

Other Current Assets

Other current assets decreased by ₹ 67 crores from ₹ 1182 crores as at June 30, 2014 to ₹ 1115 crores as at June 30, 2015, mainly due to the following:

- Accrued revenue to be billed decreased by ₹ 47 crores from ₹ 126 crores as at June 30, 2014 to ₹ 79 crores as at June 30, 2015.
- Lease rent recoverable decreased by ₹ 31 crores from ₹ 134 crores as at June 30, 2014 to ₹ 103 crores as at June 30, 2015.
- Contracts in progress for Systems Integration projects increased by ₹ 14 crores from ₹ 918 crores as at June 30, 2014 to ₹ 932 crores as at June 30, 2015.

CASH FLOW STATEMENT

₹ crores

Particulars	FY 15	FY 14
Operating Profit/(Loss) before working capital changes	43	(74)
Changes in working capital	(420)	(791)
Taxes (Paid)/Received (Net of Tax Deducted at Source)	0	66
Cash from Operating Activities	(377)	(799)
Cash from/ (used in) Investing Activities	295	842
Cash from/(used in) Financing Activities	(2)	(138)
Net Increase/ (Decrease) in Cash and Bank Balances	(84)	(95)

Cash outflow from Operating Activities was ₹ 377 crores in FY 15, mainly due to payment of liabilities.

Cash inflow from investing activities was ₹ 295 crores in FY 15, mainly inflow from Lease rent recoverable of ₹ 119 crores, proceeds from sale of fixed assets (net of capital expenditure) ₹ 56 crores, inflows from investment income ₹ 48 crores, withdrawal of bank deposits ₹ 129 crores and net purchase of Investments ₹ 57 crores.

Cash outflow from financing activities was ₹ 2 crores in FY 15, primarily representing increase in borrowings ₹ 139 crores and Interest paid ₹ 141 crores.

SEGMENT PERFORMANCE

Segment Revenue

₹ crores

Particulars	FY 15	FY 14
Hardware Products and Solutions	958	2004
Services	949	745
Distribution	4373	5333
Learning	33	67
Inter-Segment Elimination	-118	-297
Other Operating incomes	25	0
Total	6220	7852

Hardware Products and Solutions

The segment operations comprise of (a) sale of IT products & solutions to enterprise and government customers (b) sale of HCL branded products to enterprise and government customers including sale to consumer through channel partners.

During the year HCL Branded products were phased out, resulting in lower revenue.

Segment revenue in FY 2015 was ₹ 958 crores as against ₹ 2004 crores in FY 2014, primarily due to HCL branded products business.

Segment PBIT in FY 2015 was negative ₹ 105 crores as against negative ₹ 224 crores in FY 2014.

Capital employed in the segment as at June 30, 2015 was ₹ 930 crores as against ₹ 831 crores as at June 30, 2014, the increase is primarily due to execution of orders in System Integration business.

Services

The Services business provides IT infrastructure managed services, multi vendor technical support, break-fix services, cloud services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services.

Segment revenue in FY 2015 was ₹ 949 crores as against ₹ 745 crores in the previous year.

Segment PBIT in FY 2015 was negative ₹ 10 crores as against ₹ 56 crores in FY 2014.

Capital employed in the segment as at June 30, 2015 was ₹ 219 crores as against ₹ 248 crores as at June 30, 2014.

Distribution

The businesses of distribution segment consist of distribution of (a) Consumer products including telecommunication, digital lifestyle products and consumer electronic & home appliances (b) Enterprise products including IT products, enterprise software and office automation products.

Segment revenue in FY 2015 was ₹ 4,373 crores, as against ₹ 5,333 crores in FY 2013.

Segment PBIT in FY 2015 was ₹ 74 crores as against ₹ 86 crores in FY 2014.

Capital employed in the segment as at June 30, 2015 was ₹ 39 crores as against negative ₹ 79 crores as at June 30, 2014.

Learning

Learning business includes training services and educational content and related hardware offerings for private schools, colleges and other education institutes and vocational training.

During the year the business model was changed from BOOT (build own operate and transfer) model to content only model and from direct selling to channel partner led business, resulting in reduction of hardware revenue.

Segment revenue in FY 2015 was ₹ 33 crores, as against ₹ 67 crores in the previous year.

Segment PBIT was negative ₹ 29 crores as against negative ₹ 15 crores in the previous year.

Capital employed in the segment as at June 30, 2015 was ₹ 16 crores as against ₹ 25 crores as at June 30, 2014.

Report on Corporate Social Responsibility

Introduction

Corporate Social Responsibility (CSR) at HCL Infosystems Limited is inspired by a vision of National transformation with strong commitment to sustainable growth. The company has created business models to connect communities with technologies, alongside delivering long term shareholder value. The company shall design and implement CSR programs that positively impact communities. The company believes that creating shared value with stakeholder and communities shall enable drivers of growth. Our guiding principle is "Creating tomorrow's enterprise together".

Our Approach

HCL Infosystems shall use following channels to drive its CSR initiatives:

- **Education & Skill development:** provide & facilitate quality of education to underprivileged children through the use of Information Communication Technology (ICT)
- **Community Development:** provide ICT support to health care, health awareness programs, support to integrated child development
- **Environment:** work towards sustainable sanitation and environment conservation
- **Special Projects:** Awareness Programs on Financial Inclusion for rural communities not covered under banking ambit

Policy

- The company is committed to preserve environment in and around its operational jurisdiction.
- The company is committed to implement corporate social responsibility programs at touch points where we operate. This is for ensuring the long term sustainability of such interventions.
- The company supports organizations / institutions engaged in building linkages with local, regional and rural communities & markets.
- The company is committed to align its corporate social responsibility with communities and institutions so as to contribute in sustainable development by adopting innovations and technologies for improving health care, education and financial inclusion.
- The company is committed to engage in affirmative action interventions expanding skill development & vocational trainings, so as to generate livelihoods for disadvantaged sections of society.
- The company shall align and integrate the corporate social responsibility programs with the business process of the company and make them outcome oriented.
- The company shall sustain and continuously improve standards of environment, health and safety through collective endeavor of the company and the employees at all levels.

- The company shall endeavor to spend a minimum of 2% of the average net profits on corporate social responsibility programs. The corporate social responsibility corpus would also include any income arising from the corporate social responsibility activities and any surplus arising out of such activities.
- The company declares that any surplus arising out of activities related to corporate social responsibility will not be accounted as business profits.

CSR Committee Membership and Organization

- The Committee shall be appointed by and will serve at the discretion of the Board. The Committee shall consist of no fewer than three (3) Director members with at least one (1) member being an independent Director of the Board.
- The members of the CSR committee shall be appointed by the Board.
- The members of the committee shall meet at least four times a year. Minutes of the meeting shall be submitted to the board.

Committee Responsibilities and Authority

- Every year, the CSR committee shall place, a CSR plan outlining the CSR programmes to be carried out during the financial year and the specified budgets thereof for the Board's approval.
- The Board will consider and approve the CSR plan with any modification(s) that may be deemed necessary.
- The CSR committee shall assign the task of implementation of the CSR plan within specified budgets and timeframes to CSR operations team.
- The CSR operations team shall carry out such CSR programmes as determined by the CSR committee within the specified budgets and timeframes and report back to the CSR committee on the progress thereon on quarterly basis.
- The CSR committee shall review the implementation of the CSR programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy.
- At the end of every financial year, the CSR Committee shall submit its report to the Board.
- The committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

The policy is available on the website of the Company: <http://www.hclinfosystems.in/sites/default/files/CSR-policy-final.pdf>

Social Responsibility & Community Development

Being a socially responsible and sensitive corporate citizen is an integral part of your Company's business model. The average profit of the company for the last three years is

negative but still the Company has undertaken various CSR activities and has organized several activities for employees to contribute towards the underprivileged sections of society. Your Company continues to be committed to equal opportunities and non-discrimination towards all employees.

Projects undertaken for Skill Building & Education:

HCL Infosystems Limited partnered with National Skill Development Corporation (NSDC) to provide skills training to the youth, aimed at enhancing their employability.

Project Udaan – Providing opportunities for youth of Jammu and Kashmir, in partnership with NSDC:

Project “Udaan” is a joint initiative of the Ministry of Home Affairs, Government of India and the State Government of Jammu and Kashmir. Your Company supports this project which aims to develop skills and enhance employability of the youth of the state. Under this project, HCL provides training and relevant industry experience to select candidates, enabling them to pursue excellent career opportunities. Candidates are also provided with provisional employment on successful completion of assessment post the training and receive monthly stipend, boarding and lodging expenses. This year, a total of 12 engineering graduates from the State were provided classroom training at HCL’s Hyderabad training centre and hands on training at various offices of HCL in the IT services industry. Your Company will continue selecting & training Engineers and Management graduates from Jammu and Kashmir, over a period of five years.

Employee Volunteering

Your Company continues to encourage employees to volunteer and contribute to various social causes.

- HCL Employees donated clothes and stationery to ‘Goonj’, an NGO that works towards welfare of under-privileged children.
- HCL Services funded welfare programmes of ‘Child Relief and You’, an NGO that supports rights of underprivileged children.
- HCL supported the cause of *Antarkranti*, an NGO which works towards Prisoners’ Rehabilitation & Reformation, benefiting 200 inmates of Tihar Jail.
- *Sukarya*, an NGO which works for Women & Child welfare in villages of India, set up stall in HCL office for selling products manufactured by underprivileged women. The initiative received an encouraging response from the employees.
- Employees were encouraged to voluntarily donate blood with dedicated drives and campaigns. A total of 90 units of blood were collected during such drives.
- Your Company organized environment sustainability and conservation activities. In Pondicherry, a ‘Go Green’ initiative was conducted to preserve environment, wherein employees participated by donating plants and holding plantation drives.
- Employees extended support to the cause of ‘Energy conservation’ during a campaign by WWF, world’s largest nature conservation organization. 150 employees signed the pledge for this cause at NOIDA region.

- Employees across HCL offices whole heartedly contributed towards rehabilitation of Nepal Earthquake victims. The money collected was donated to the Nepal Relief Fund.

Statement on non-discriminatory employment policy of the business entity

Equal Opportunities & Non Discrimination Policy: According to this policy, HCL Infosystems does not discriminate against any employee or job applicant on the basis of race, color, religion, gender, age, sexual orientation, nationality, pregnancy status, marital status, family status and different ability. All employees or job applicants are judged on the principle of equal employment opportunity.

Initiatives for Affirmative Action

Your Company is working towards ensuring equal opportunities to all sections of the society. As a part of its commitment to ‘CII’s Affirmative Action Code of Conduct’, HCL Infosystems has taken proactive actions to provide equal opportunity for employability, training and mentoring to all sections of the society.

HCL Concert Series:

HCL Concert series is an initiative taken up by your Company in association with The Indian Habitat Centre, Delhi and The Music Academy, Chennai. Through this initiative, your Company provides a renowned platform to upcoming talent in Indian performing arts. The objective is to showcase excellence in Indian arts and culture to discerning audiences and the series promises to present hundreds of concerts featuring a variety of artists over several years of its continuation.

1. The composition of the CSR committee:

The composition of the committee is as under:

S.No.	Name	Category
1	Ms. Sangeeta Talwar (Chairperson)	Independent & Non-Executive Director
2	Mr. Pawan Kumar Danwar (Member)	Non-Independent & Non-Executive Director
3	Mr. Dilip Kumar Srivastava (Member)	Non-Independent & Non-Executive Director

2. Average net profit of the company for last three financial years:

The average profit for last three financial years is negative.

3. Prescribed CSR Expenditure (two per cent of the amount as in item 2 above):

Not required.

4. Details of CSR spent during the financial year:

Not required, as the average profit for the last three financial years is negative.

5. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

NA

6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

NA

HCL INFOSYSTEMS

Environment Sustainability Report

Environment Management - Our Commitment to Social Responsibility:

Your Company believes in building a symbiotic relationship with manufacturers, consumers and recyclers with the aim to promote integration and sustainability in operations so that there is minimum stress on the environment.

Your Company over the years has integrated and innovated products for its customers giving key emphasis on product life cycle management, commencing from sourcing, manufacturing to installation and recovery at the end-of-life of the product to ensure protection of the environment, health and safety of all stakeholders.

Environment Management Policy under HCL ecoSafe aims to encapsulate knowledge, awareness, and key developments on all environmental issues faced by today's world and to incorporate these in HCL's operations by assuring our commitment in delivering quality solutions, services and products.

Information provided along with the product: All the products carry adequate information on customer health and safety. Your Company mentions the hazardous constituents present in the product and describes the process for disposal of Waste of Electrical & Electronic Equipment (WEEE) in its information booklet. The symbol of crossed out wheeled bin placed on the product/product packaging indicates that the product should not be disposed in the municipal waste. The details on collection of e-waste and how to dispose old equipment is mentioned in detail on the website www.hclinfosystems.com

Electronic Waste Management:

The key objective of your Company's 'E-Waste Policy' aims at providing efficient and easy product recovery options to its consumers to facilitate responsible product retirement of all its manufactured Electrical & Electronic Equipment (EEE) products. Waste of Electrical & Electronic Equipment has been a subject of concern globally and nationally. Your Company

believes that the manufacturers of electronic goods are responsible for facilitating an environment friendly disposal, once the product has reached the end of its life.

Recognizing the need to minimize the hazardous impact of e-waste on the environment, your Company has formulated a comprehensive program for the recovery and recycling of WEEE in an environmentally safe manner.

Separate Collection/Recovery:

Your Company extends the recycling facility to its users regardless of the fact, when and where they have purchased the product. Your Company assures to all its customers that the entire process of recycling/disposal of WEEE will be carried out by an authorized recycling agency.

Green Bag Campaign:

Under your Company's Green Bag Campaign we collect old equipment from your Company's customers across India. We are not only reaching out to all our customers but are spreading awareness about proper recycling of electronic waste. We have witnessed positive improvement in e-waste collection since the last five years. Last year we have collected more than 56 Metric Tons of e-waste and have successfully disposed it through our Government approved Authorized Recycler.

Energy Management:

Energy is one field where we have made a considerable improvement. Your Company is evaluating options on how to use more and more renewable sources of energy. HCL Green Data Centre at Head Office, Noida is the first Data Centre Building in India to be a LEED IC PLATINUM certified by the US-Green Building Council.

Mr. Premkumar Seshadri
**Executive Vice-Chairman
& Managing Director**

Ms. Sangeeta Talwar
**Chairperson
(CSR Committee)**

Date : 20th August, 2015

Place : Noida

Directors' Report

To the Members,

Your Directors have pleasure in presenting their Twenty Ninth Annual Report together with the Audited Accounts for the financial year ended 30th June, 2015.

Financial Highlights

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Net Sales and other income	6,284.40	7,955.32	4,456.73	5,797.01
Profit before exceptional items Interest, Depreciation and Tax	(7.85)	8.35	176.74	85.06
Finance Charges	142.78	156.04	96.74	74.95
Depreciation and Amortization	51.90	52.50	6.87	8.44
Exceptional Items	28.94	14.37	(139.34)	(178.75)
Profit before Tax	(173.59)	(185.81)	(66.21)	(177.08)
Provision for Taxation: Current	5.50	3.18	4.68	1.03
Deferred Tax Expenses / (Credit)	5.62	25.52	-	13.58
Net Profit after Tax (Before Minority Interest)	(184.71)	(214.51)	(70.89)	(191.69)
Net Profit after Tax (After Minority Interest)	(184.71)	(214.51)	-	-
Profit available for appropriation	263.23	447.94	456.61	527.50
Appropriations				
Debenture Redemption Reserve	-	-	-	-
Interim Dividend	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Dividend (including Interim Dividend)	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance of Profit carried forward to next year	263.23	447.94	456.61	527.50

Performance

The consolidated net revenue of the Company was ₹ 6,284.40 Crores as against ₹ 7,955.32 Crores in the previous year. The consolidated loss before tax was ₹ 173.59 Crores as against ₹ 185.81 Crores in the previous year. The net revenue on standalone basis was ₹ 4,456.73 Crores as against ₹ 5,797.01 Crores in the previous year. The consolidated loss before tax was ₹ 66.21 Crores as against ₹ 177.08 Crores in the previous year.

Your Board of Directors do not recommend any dividend for the year under review.

Operations

A detailed analysis and insight into the financial performance and operations of your Company for the year ended 30th June, 2015, is appearing in the Management Discussion and Analysis, forming part of the Annual Report.

There is no change in the authorized share capital of the Company.

Awards & Recognition

Your Company won the Banking & Financial Services Award for its contribution in the field of Financial Inclusion at the Elets-BFSI Leadership Summit and Awards, 2015.

HCL Services Limited, a subsidiary of your Company bagged following awards this year:

- The "IT Service Provider of the Year" award at the 2015 Frost & Sullivan India ICT Awards. This prestigious award recognizes the relentless efforts of HCL Services in delivering exceptional business performance in the year 2014.
- The Consumer Services business division of HCL Services won the Best Retailer of the Year Award in the field of Mobile & Telecom Services at the Asia Retail Congress (ARC), 2015.
- The DQ LIVE Business Technology Award 2015 for 'Excellence in the Implementation' and 'Use of Technology for Business Benefits in the Enterprise Applications and Cloud' category.

HCL Infotech Limited, another subsidiary of your Company bagged two Skoch Order-of-Merit Awards in the 'Solution Development' and 'Access to Banking & Financial Services' categories for enabling nationalized and regional rural banks to offer financial services at an affordable cost to the unbanked and under-banked population through its technology infrastructure and service solutions.

HCL INFOSYSTEMS**Employee Stock Option Plan**Employee Stock Option Scheme 2000

Pursuant to the approval of the Shareholders at an Extra-Ordinary General Meeting held on 25th February, 2000 for grant of options to the employees of the Company and its subsidiaries (the Scheme 2000), the Board of Directors had approved the grant of 31,90,200 options including the options that had lapsed out of each grant. Each option confers on the employee a right for five equity shares of ₹ 2/- each.

During the year under review, the Company had allotted 10,000 equity shares of ₹ 2/- each under the Scheme 2000.

Employee Stock Based Compensation Plan 2005

Pursuant to the approval of Shareholders of the Company through a Postal Ballot, the result whereof was declared on 13th June, 2005, the Board of Directors had granted 33,35,487 options including the options that had lapsed out of each grant under the Employee Stock Based Compensation Plan 2005 (the Plan 2005). Each option confers on the employee a right for five equity shares of ₹ 2/- each at the market price as specified in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, on the date of grant.

During the year under review, the Company had allotted 15,000 equity shares of ₹ 2/- each under the Plan 2005.

Fixed Deposits

The Company has not accepted/renewed any deposits from the public during the year and there were no fixed deposits outstanding either at the beginning or at the end of the year.

Listing

The equity shares of the Company are listed at The BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE).

The Company has paid the listing fee for the year 2015-2016 to BSE and NSE.

Directors and Key Managerial Personnel

Mr. Harshavardhan Madhav Chitale stepped down as Managing Director & CEO and the Director of the Company w.e.f. close of the business hours on 31st December, 2014. Mr. Ajay Vohra ceased to be director of the Company w.e.f. 1st April, 2015 under the provisions of section 167 (1)(b) of Companies Act, 2013. The Board places on record its appreciation for the contributions made by them during their tenure with the Company. Mr. Premkumar Seshadri, the Director, was designated as Executive Vice Chairman effective from 10th September, 2014. He was also appointed as 'Managing Director' of the Company for a period of 3 (three) years w.e.f. 1st January, 2015.

Ms. Ritu Arora was appointed as an additional director of the Company w.e.f. 6th April, 2015 and designated as Independent Director and holds office up to the date of the ensuing Annual General Meeting of the Company.

The Company has received declarations from all the Independent directors confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In terms of the provision of Section 149, 152(6) and other applicable provisions of the Companies Act, 2013,

Ms. Ritu Arora, on approval of her appointment as Director in the forthcoming AGM, shall hold office up to a term of five consecutive years on the Board of the Company upto 5th April, 2020 and shall not be liable to retire by rotation.

On induction of Independent Director on the Board of the Company, a familiarization program is conducted to familiarize him/her with the Company, its businesses, financial performance, budget and control processes etc. Company's Managing Director, CFO and Business Heads attend the meeting and necessary documents/brochures, reports and internal policies are provided to enable him/her to familiarize with the Company's policies. The details of such familiarization program are posted on the website of the Company and can be accessed at <http://www.hclinfosystems.in/sites/default/files>.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Nikhil Sinha, retires from office by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. A brief resume, details of expertise and other directorships/committee memberships held by the above Directors, form part of the Notice convening the Twenty Ninth Annual General Meeting.

Mr. Sandeep Kanwar stepped down from the position of Chief Financial Officer (CFO) of the Company w.e.f. 1st April, 2015 and Mr. S. G. Murali was appointed to act as Group Chief Financial Officer (CFO) of the Company w.e.f. 1st April, 2015.

Committees of Board

Currently, the Board has 6 (Six) Committees: Accounts and Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Finance Committee and Technology Committee. A detailed note on Committees is provided in the Corporate Governance Report.

Board and Committees Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination & Remuneration Committee ("NRC") reviewed the role, functions, duties and performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive Directors and non-executive Directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

Criteria/Policy on Appointment and Remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee (NRC) framed a criteria for appointment of Directors, Key Managerial Personnel/Senior Management. The Board has also adopted a remuneration policy for Directors, Key Managerial Personnel/ Senior Management and other employees. The criteria/policy on appointment and remuneration Policy are stated in the Corporate Governance Report.

Board Meetings

During the financial year 2014-15, Nine Board Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The details of Board Meetings held are stated in the Corporate Governance Report.

Corporate Social Responsibility (CSR)

A report on Corporate Social Responsibility (CSR) is attached as Annexure to this Report. The policy is available on the website of the Company.

Corporate Governance Report and Management Discussion and Analysis Statement

The Corporate Governance Report and the Management Discussion and Analysis Statement are attached and are to be read with the Directors' Report.

Insider Trading Regulations

As per the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the 'Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading By Insiders' and the 'Code of Fair Disclosure' were adopted w.e.f. 15th May, 2015. These codes replaced the earlier codes which were adopted under the SEBI (Prohibition of Inside Trading) Regulation 1992.

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, and based on the representations received from the operating management, the Directors hereby confirm that:

- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees and related disclosures

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-Executive Directors	Ratio to median remuneration	Remuneration (₹)
Dr. Nikhil Sinha	-	-
Mr. V.N. Koura	0.38	75,000
Dr. Pradeep Kumar Khosla	1.53	3,00,000
Ms. Sangeeta Talwar	8.81	17,25,000
Mr. Kaushik Dutta	9.96	19,50,000
Mr. Dharendra Singh	10.73	21,00,000
Mr. Pawan Kumar Danwar	-	-
Mr. Dilip Kumar Srivastava	-	-
Mr. Sanjeev Sharma	2.30	4,50,000
Ms. Ritu Arora	-	-

Executive Directors	Ratio to median remuneration	Remuneration (₹)
*Mr. Harshavardhan Madhav Chitale	117.00	2,29,07,126
Mr. Premkumar Seshadri (Managing Director w.e.f 1 st January, 2015)	-	-

*Mr. Harshavardhan Madhav Chitale ceased to be Managing Director & CEO w.e.f. close of the business hours on 31st December, 2014. The ratio of his remuneration to the median remuneration has been worked out based on his remuneration received till 31st December, 2014 annualized for the full year.

- (b) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Dr. Nikhil Sinha	-100
Mr. Harshavardhan Madhav Chitale	Nil
Mr. Premkumar Seshadri	-
Mr. V.N. Koura	25
Dr. Pradeep Kumar Khosla	-7.7
*Ms. Sangeeta Talwar	-
*Mr. Kaushik Dutta	-
Mr. Dharendra Singh	127
Mr. Pawan Kumar Danwar	-
Mr. Dilip Kumar Srivastava	-
*Mr. Sanjeev Sharma (w.e.f. 3 rd October, 2014)	-
**Ms. Ritu Arora (w.e.f. 6 th April, 2015)	-
*Mr. Sandeep Kanwar (Up to 1 st April, 2015)	-
*Mr. S. G. Murali (w.e.f. 1 st April, 2015)	-
Mr. Sushil Kumar Jain	4.9

Note: Sitting fee was increased from ₹ 20,000 per Board/ Board Committee meeting to ₹ 75,000 per Board/ Board Committee meeting w.e.f. 1st April, 2014 and paid to non executive and independent directors only.

*Since the details are only for a part of the year, the same are not comparable.

**No sitting fee was paid to Ms. Ritu Arora during the year under review.

- (c) **The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median remuneration of the employees in the financial year was 5%.

- (d) **The number of permanent employees on the rolls of Company:**

The number of permanent employees on rolls of the Company at the end of the financial year were 5257.

- (e) **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 6% in India. The individual increments varied from 3% to 12%, based on individual performance.

Employees outside India received wage increase varying from 3% to 4%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- (f) **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ crores)	3.31
Revenue (₹ crores)	4,456.73
Remuneration of KMPs (as % of revenue)	0.074
Profit before Tax (PBT) (₹ crores)	(66.21)
Remuneration of KMP (as % of PBT)	NA (in view of losses)

- (g) **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

	Market Capitalisation (in crores)		% Change
	30 th June, 2015	30 th June, 2014	
NSE	757.88	1,676.24	(54.8%)
BSE	758.99	1,674.01	(54.7%)
Price Earnings Ratio	NA, as the Company incurred losses during the year ended 30 th June, 2015		

- (h) **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

NA, The Company has not made any public offer

- (i) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 6%.

Increase in the managerial remuneration for the year was 3.27%.

(j) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

	Mr. Harshavardhan Madhav Chitale (till 31.12.2014)	Mr. Premkumar Seshadri	Mr. Sandeep Kanwar (till 31.03.2015)	Mr. S.G. Murali (w.e.f 1 st April, 2015)	Mr. Sushil Kumar Jain
Remuneration in FY15 (₹ crores)	1.15	-	1.24	0.47	0.45
Revenue (₹ crores)	4456.73				
Remuneration as % of revenue	0.026	-	0.028	0.01	0.01
Profit before Tax (PBT) (₹ crores)	(66.21)				
Remuneration (as % of PBT)	NA, as the Company incurred losses during the year ended 30 th June, 2015				

(k) The key parameters for any variable component of remuneration availed by the Directors:

The Company has not paid any Commission to its Non-Executive Directors during the year under review.

(l) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year:

None

(j) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Annual Report is being sent to the members of the Company excluding the information under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any member interested in obtaining the said information may write to the Company Secretary at the registered office of the Company.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length under the provisions of Section 188 and other applicable sections of the Companies Act, 2013 read with the relevant Rules. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Mr. Premkumar Seshadri, Executive Vice Chairman also appointed as Managing Director of the Company for a period of 3 (three) years w.e.f 1st January, 2015. M/s HCL Corporation Private Limited, the Promoter Company pays the remuneration to Mr. Seshadri as per the agreement.

Policy on dealing with related party transactions is available on the website of the Company http://www.hclinfosystems.in/sites/default/files/Policy_on_Related_party_transactions.pdf

Internal Control Systems

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Vigil Mechanism/ Whistle Blower Policy for Directors and employee to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said Policy is posted on the website of the Company and can be assessed at http://www.hclinfosystems.in/sites/default/files/Whistleblower_Policy_0.pdf

Auditors & Auditors' Report

Statutory Auditors

M/s Price Waterhouse, Chartered Accountants, who are the statutory auditors of the Company, hold office until the conclusion of forthcoming Annual General Meeting. It is proposed to re-appoint M/s Price Waterhouse, Chartered Accountants as statutory auditors of the Company from the conclusion of forthcoming Annual General Meeting till the conclusion of thirtieth (30th) AGM to be held in the year 2016. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. It is also proposed to authorize the Board of Directors to fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to the requirements of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Navneet K. Arora & Co., Practicing Company Secretaries (CoP 3005) as the Secretarial Auditor for the year ended on 30th June, 2015. The Secretarial Audit report issued by M/s Navneet K. Arora & Co., Practicing Company Secretaries is attached separately to this report. The report does not contain any qualification, reservation or adverse remark.

Additional information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

HCL INFOSYSTEMS

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as Annexure to this Report.

Consolidated Financial Statement

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Subsidiaries/Associates/JVs and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

Subsidiaries, Joint Ventures and Associate Companies

The Company divested its entire investment in the equity shares of RMA Software Park Private Limited on 24th September, 2014.

A list of Subsidiaries/Associates/JVs is given in the Extract of Annual Return attached to this report.

Policy for determining material subsidiaries of the Company is available on the website of the Company at [http://www.hclinfosystems.in/sites/default/files/Policy_on Subsidiaries.pdf](http://www.hclinfosystems.in/sites/default/files/Policy_on_Subsiidiaries.pdf)

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is attached herewith as "Annexure to this Report".

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Acknowledgements

The Directors place on record their appreciation for the continued co-operation extended by all stakeholders including various departments of the Central and State Government, Shareholders, Investors, Bankers, Financial Institutions, Customers, Dealers and Suppliers.

The Board also places on record its gratitude and appreciation of the committed services of the executives and employees of the Company.

On behalf of the Board of Directors

Place : Noida

Date : August 20, 2015

Sd/-

**Nikhil Sinha
(Chairman)**

Annexure to Directors' Report

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014,

A. Conservation of Energy

Your Company has executed measures at its facilities to reduce power consumption. By implementing changes in the sitting arrangement in working areas, we were able to save 750 units of electrical energy per month.

B. Research and Development

1. Product Innovation & Engineering

Your Company's Research & Development (R&D) unit "HCL Labs" was set up with the mission to give its businesses a competitive edge in their respective markets by enabling them to acquire new customers & increase customer retention. Today we have four R&D centres with a total strength of nearly 60+ persons working on different spheres of technology. These centres are located at Jaipur, Chennai, Puducherry and Mumbai.

Your Company has all its R&D centres recognized by DSIR (Department of Scientific Industrial Research). These centres are working on development of new, relevant technologies in areas that are playing an important role in the growth story of India, such as bridging the digital divide, education, financial inclusion, asset management, energy efficiency etc.

The Puducherry R&D centre, with 40 Resources, has been working towards building four EMS products viz. Enterprise Infrastructure Management & Monitoring (EIM), Enterprise Service Management (ESM), Enterprise Asset Management (EAM) and Client Automation Management (CAM).

Today ICT is an intrinsic part of infrastructure deployed to ensure uninterrupted connectivity between organizations and various stakeholders including employees and customers. The operation and maintenance of such infrastructure demands tools & services which are capable of IT Infrastructure monitoring, Service Management as per ITIL v3 framework, predictive failure analysis, fault detection, power consumption optimization, management of assets etc. To address these critical needs of enterprises & service providers, HCL Labs has developed a solution Tefilla, which has now been renamed as **Maestro**.

Following are its features:

- Client Automation Product called Maestro CAM with features like Remote Software Deployment,

Patch Management, Self Service and Heal, Remote Assistance. As automation is key to enhancement of productivity, this tool helps to drive efficiency in customer IT operation

- Integrated Attendance Management System which can be integrated with any Biometric Solution
- Maestro Common Dashboard which integrates all four Maestro Products and provides a single CIO Dashboard
- Maestro Single Sign product for single authentication and authorization for all Maestro and third party products, thereby simplifying the process without sacrificing security

The team has created a roadmap to develop and introduce additional features & modules in the solution like Service Catalogue, Knowledge Management, Contract Finance Management, Network Bandwidth Protocol Analysis, Predictive Capacity Planning, Application Performance Management, Mobile Device Management. New initiatives were undertaken in the emerging technology areas such as Internet of Things (IoT) solution using Maestro as the platform.

e-Learning is another vertical of your Company that has been set up with the objective of uplifting the standard of education in Indian schools through technology interventions, bringing consistency in teaching standards across schools, creating products for students across economic strata, ensuring high quality standards in the products created and enhancing quality of education inside as well as outside the classrooms. To achieve these objectives, HCL Labs have been investing in innovations to effectively combine technology with pedagogical and instructional methodologies.

These products are deployed across multiple schools and education programs in India as well as in countries in the Middle East and Africa.

2. Expenditure on R & D (Consolidated)

	(₹/Crores)
Capital	: 0.52
Revenue	: 15.84
Total	: 16.36

3. Technology Absorption, Adaptation and Innovation

HCL Labs has introduced yet another pioneering technology that enables banking for the unbanked

in rural & urban migrant population in India, a huge challenge in the country that can be surmounted only with the use of technology. Building on a spectrum of technologies, the HCL Financial Inclusion (FI) framework is an end-to-end solution. It includes a variety of front end access devices, including an integrated Micro ATM, Financial Switch & Server at its core connected to the CBS of Banks & other Application servers, supported with Central & Aadhaar based biometric authentication. These solutions today have enabled the Banking sector to offer services outside the brick & mortar model such as Direct Benefit Transfer, Saving Products, Insurance & Payment solutions to thousands of villages across the country.

This year witnessed a major thrust on Financial Inclusion with the launch of "Pradhan Mantri Jan Dhan Yojana (PMJDY)" by our Hon'ble Prime Minister in August'2014 for opening Basic Savings Bank Account in each Household. Subsequent to this, two Insurance schemes were also launched under the same umbrella, called "Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) were launched in May'2015. HCL enabled functionality for supporting these initiatives in the MicroATM Application along with the requisite backend integration with Banks.

HCL's technology enabled solutions have led to addition of several financial services products to the portfolio of offerings in addition to Basic Savings Bank Account, such as Recurring Deposit, General Credit Card, Kisan Credit Card & Insurance. Migration of existing Saving Bank accounts to the Financial Inclusion (FI) network through HCL applications has facilitated decongestion of physical bank branches.

Another development in HCL FI Application is the implementation of Aadhar Enabled Payment System (AEPS) transactions (both On-Us & Off-Us), Non-carded transactions through Central Authentication & enablement of RuPay Card functionality for Cashless Transactions.

With the aforesaid developments, HCL's MicroATM technology is a one-of-its-kind product which supports both enrolments (Standard, e-KYC, RD, KCC, GCC and Insurance) and transactions (Carded & Non-Carded both with various modes of Authentication) on the same device application.

4. Foreign Exchange earning and outgo

During the period under review, the Company's Standalone earnings in foreign currency were ₹ 3.03 Crores (Previous Year ₹ 4.48 Crores). The Standalone expenditure in foreign currency including imports during the year amounted to ₹ 86.11 Crores (Previous year ₹ 357.99 Crores).

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURNas on the financial year ended on 30th June, 2015*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L72200DL1986PLC023955
ii) Registration Date	17/04/1986
iii) Name of the Company	HCL Infosystems Limited
iv) Category / Sub-Category of the Company	Company having Share Capital
v) Address of the Registered office and contact details	806, Siddharth, 96, Nehru Place, New Delhi – 110019, Tel. No. 011 26444812
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Alankit Assignments Limited 205-208, Anarkali Complex Jhandewalan Extension, New Delhi-110055 Tel. No. 011-42541234, 23541234 Fax No. 23552001 E-Mail : rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Cellular Phones	46524-Wholesale of telephone, mobile phone and communications equipment and parts	89%
2	-	-	-
3	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	HCL Services Limited (formerly known as HCL Care Limited)	U93000DL2012PLC242938	Subsidiary	100	2(87)(ii)
2	HCL Infotech Limited (formerly known as HCL System Integration Limited)	U72200DL2012PLC242944	Subsidiary	100	2(87)(ii)
3	HCL Learning Limited	U80900DL2012PLC242907	Subsidiary	100	2(87)(ii)
4	Digilife Distribution and Marketing Services Limited (formerly known as HCL Security Limited)	U72900DL2008PLC175605	Subsidiary	100	2(87)(ii)
5	Pimpri Chinchwad eServices Limited	U72200DL2010PLC208539	Subsidiary	85	2(87)(ii)
6	HCL Computing Products Limited	U72900DL2012PLC238730	Subsidiary	100	2(87)(ii)
7	*RMA Software Park Private Limited (till 24 th September, 2014)	U72200DL2005PTC132743	Subsidiary	100	2(87)(ii)
8	HCL Insys Pte Limited, Singapore (Through HCL Services Limited)		Subsidiary	100	2(87)(ii)
9	HCL Investments Pte Limited, Singapore; (Through HCL Infotech Limited)		Subsidiary	100	2(87)(ii)
10	HCL Infosystems MEA FZE, Dubai (Through HCL Insys Pte Limited, Singapore)		Subsidiary	100	2(87)(ii)
11	HCL Infosystems LLC, Dubai; (Through HCL Infosystems MEA FZE, Dubai)		Subsidiary	49	2(87)(i)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
12	HCL Infosystems MEA LLC Abu Dhabi (Through HCL Infosystems MEA FZE, Dubai)		Subsidiary	49	2(87)(i)
13	HCL Infosystems Qatar WLL, Qatar (Through HCL Infosystems MEA LLC, Abu Dhabi)		Subsidiary	49	2(87)(i)
14	HCL Infosystems South Africa Pty Limited, South Africa (Through HCL Investments Pte Limited, Singapore)		Subsidiary	100	2(87)(ii)
15	HCL Touch Inc., US (Through HCL Services Limited)		Subsidiary	100	2(87)(ii)
16	Nokia HCL Mobile Internet Services Limited	U74900DL2009PLC188379	Associate	49	2(6)

* Ceased to be subsidiary w.e.f. 24th September, 2014 on sale of the entire stake in its share capital by the Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 30 th June, 2014)				No. of Shares held at the end of the year (as on 30 th June, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	22,65,808	-	22,65,808	1.02	22,65,808	-	22,65,808	1.02	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	12,71,12,036	-	12,71,12,036	57.03	12,71,12,036	-	12,71,12,036	57.02	-0.01*
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	12,93,77,844	-	12,93,77,844	58.05	12,93,77,844	-	12,93,77,844	58.04	-0.01*
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	75,79,043	10,750	75,89,793	3.41	27,79,539	10,750	27,90,289	1.25	-2.16
b) Banks/FI	41,49,103	7,750	41,56,853	1.86	40,04,827	7,750	40,12,577	1.80	-0.06
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	1,22,75,255	500	1,22,75,755	5.51	79,90,902	500	79,91,402	3.59	-1.92
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2,40,03,401	19,000	2,40,22,401	10.78	1,47,75,268	19,000	1,47,94,268	6.64	-4.14

Category of Shareholders	No. of Shares held at the beginning of the year (as on 30 th June, 2014)				No. of Shares held at the end of the year (as on 30 th June, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	1,35,01,534	14,33,630	1,49,35,164	6.70	1,28,45,523	14,33,630	1,42,79,153	6.41	-0.29
i) Indian	70,000	-	70,000	0.03	70,000	-	70,000	0.03	-
ii) Overseas									
b) Individuals	3,13,48,360	16,67,001	3,30,15,361	14.81	4,24,86,018	16,15,619	4,41,01,637	19.78	4.97
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,00,40,134	86,625	2,01,26,759	9.03	1,83,00,964	86,625	1,83,87,589	8.25	-0.78
c) Others (specify)									
i) NRI	13,22,295	7,000	13,29,295	0.60	16,28,314	7,000	16,35,314	0.73	0.13
ii) Trust	800	5	805	0.00	87,000	5	87,005	0.04	0.04
iii) Foreign Body Corporate	0	2,000	2,000	0.00	-	2,000	2,000	0.00	-
iv) Foreign Portfolio Investor	-	-	-	-	1,69,819	-	1,69,819	0.08	0.08
Sub-total (B)(2):-	6,62,83,123	31,96,261	6,94,79,384	31.17	7,55,87,638	31,44,879	7,87,32,517	35.32	4.15
Total Public Shareholding (B) = (B)(1) + (B)(2)	9,02,86,524	32,15,261	9,35,01,875	41.95	9,03,62,906	31,63,879	9,35,26,785	41.96	0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	21,96,64,368	32,15,261	22,28,79,629	100.00	21,97,40,750	31,63,879	22,29,04,629	100.00	0.00

*No change in numbers of the shares held by the Promoters during the year. Decrease in percentage shareholding is on account of increase in the paid up share capital during the year.

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 30 th June, 2014)			Share holding at the end of the year (as on 30 th June, 2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Ajai Chowdhry	1,98,490	0.09	-	1,98,490	0.09	-	-
2	Ms. Gita Chowdhry	1,52,445	0.07	-	1,52,445	0.07	-	-
3	Ms. Kiran Malhotra	59,060	0.03	-	59,060	0.02	-	0.01
4	Mr. Shiv Nadar	2,070	0.00	-	2,070	0.00	-	-
5	Ms. Roshni Nadar	1,960	0.00	-	1,960	0.00	-	-
6	Ms. Poorva Malhotra	12,880	0.01	-	12,880	0.01	-	-
7	Mr. Akshay Chowdhry	900	0.00	-	900	0.00	-	-
8	Mr. Shiven Malhotra	11,880	0.01	-	11,880	0.01	-	-
9	Ms. Kiran Nadar	420	0.00	-	420	0.00	-	-
10	Mr. Devinder Singh Puri	13,65,872	0.61	-	-	-	-	-0.61
11	Ms. Nina Puri	4,59,831	0.21	-	18,25,703	0.82	-	0.61

SI No.	Shareholder's Name	Shareholding at the beginning of the year (as on 30 th June, 2014)			Share holding at the end of the year (as on 30 th June, 2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
12	M/s HCL Corporation Pvt. Ltd. (Formerly, Guddu Investments (Pondi) Pvt. Ltd.)	11,13,82,239	49.97	-	11,13,82,239	49.97	-	-
13	M/s Vama Sundari Investments (Delhi) Pvt Ltd	10,38,848	0.47	-	10,38,848	0.47	-	-
14	M/s AKM Systems Pvt. Ltd.	1,19,97,007	5.38	-	1,19,97,007	5.38	-	-
15	M/s Apollo Trading And Finance Pvt. Ltd.	13,46,971	0.60	-	13,46,971	0.60	-	-
16	M/s BFL Investments & Financial Consultants Pvt. Ltd.	13,46,971	0.60	-	13,46,971	0.60	-	-
	Total	12,93,77,844	58.05	-	12,93,77,844	58.04	-	-0.01

- No change in numbers of the shares held by the Promoters during the year. Decrease in percentage shareholding is on account of increase in the paid up share capital during the year.
- 18,25,703 equity shares held by Ms. Nina Puri includes 13,65,872 equity shares earlier held by Mr. Devinder Singh Puri, the Promoter, which stands transmitted in name of Ms. Nina Puri, w/o of Mr. Puri, on account of nomination, on demise of Mr. Puri.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI. No.		Shareholding at the beginning of the year (as on 30 th June, 2014)		Cumulative Shareholding during the year (as on 30 th June, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	12,93,77,844	58.05	12,93,77,844	58.05
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	-		-	-0.01 ¹
	At the End of the year	12,93,77,844	58.05	12,93,77,844	58.04

- No change in numbers of the shares held by the Promoters during the year. Decrease in percentage shareholding is on account of increase in the paid up share capital during the year.
- 18,25,703 equity shares held by Ms. Nina Puri includes 13,65,872 equity shares earlier held by Mr. Devinder Singh Puri, the Promoter, which stands transmitted in name of Ms. Nina Puri, w/o of Mr. Puri, on account of nomination, on demise of Mr. Puri.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.		Shareholding at the beginning of the year (as on 30 th June, 2014)		Cumulative Shareholding during the year (as on 30 th June, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	GOVERNMENT PENSION FUND GLOBAL	62,36,190	2.7980	62,36,190	2.7980
	Less: Market Sale 28.11.2014	-23,777	-0.0107	62,12,413	2.7872
	Less: Market Sale 05.12.2014	-10,623	-0.0048	62,01,790	2.7824
	Less: Market Sale 20.03.2015	-38,473	-0.0173	61,63,317	2.7650
	Less: Market Sale 27.03.2015	-60,302	-0.0271	61,03,015	2.7379
	Less: Market Sale 31.03.2015	-27,190	-0.0122	60,75,825	2.7258
	Less: Market Sale 17.04.2015	-51,816	-0.0232	60,24,009	2.7025
	Less: Market Sale 01.05.2015	-3,19,000	-0.1431	57,05,009	2.5594
	Less: Market Sale 08.05.2015	-54,378	-0.0244	56,50,631	2.5350
	Less: Market Sale 15.05.2015	-2,15,176	-0.0965	54,35,455	2.4385
	Less: Market Sale 22.05.2015	-4,12,456	-0.1850	50,22,999	2.2534

Sl. No.			Shareholding at the beginning of the year (as on 30 th June, 2014)		Cumulative Shareholding during the year (as on 30 th June, 2015)	
	For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Less: Market Sale	29.05.2015	-1,37,801	-0.0618	48,85,198	2.1916
	Less: Market Sale	05.06.2015	-2,48,296	-0.1114	46,36,902	2.0802
	Less: Market Sale	12.06.2015	-2,07,482	-0.0931	44,29,420	1.9871
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	44,29,420	1.9871
2.	KEDAR SHIVANAND MANKEKAR		22,30,000	1.0005	22,30,000	1.0005
	Add/Less:		-	-	22,30,000	1.0004
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	22,30,000	1.0004
3.	LAXMI SHIVANAND MANKEKAR		22,30,000	1.0005	22,30,000	1.0005
	Add/Less:		-	-	22,30,000	1.0004
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	22,30,000	1.0004
4.	LIFE INSURANCE CORPORATION OF INDIA		21,31,085	0.9562	21,31,085	0.9562
	Add/Less:		-	-	21,31,085	0.9561
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	21,31,085	0.9561
5.	BHADRA JAYANTILAL SHAH		9,00,000	0.4038	9,00,000	0.4038
	Add: Market Purchase	01.08.2014	1,00,000	0.0449	10,00,000	4.4867
	Add: Market Purchase	12.12.2014	3,50,000	0.1570	13,50,000	6.0568
	Add: Market Purchase	31.12.2014	1,50,000	0.0673	15,00,000	6.7298
	Add: Market Purchase	09.01.2015	1,00,000	0.0449	16,00,000	7.1785
	Add: Market Purchase	06.02.2015	1,81,167	0.0813	17,81,167	0.7991
	Add: Market Purchase	13.02.2015	18,833	0.0084	18,00,000	0.8075
	Add: Market Purchase	13.03.2015	2,00,000	0.0897	20,00,000	0.8972
	Add: Market Purchase	22.05.2015	1,00,000	0.0449	21,00,000	0.9421
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	21,00,000	0.9421
6.	CHETAN JAYANTILAL SHAH		20,00,000	0.8973	20,00,000	0.8973
	Add: Market Purchase	29.05.2015	1,00,000	0.0449	21,00,000	0.9421
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	21,00,000	0.9421

Sl. No.			Shareholding at the beginning of the year (as on 30 th June, 2014)		Cumulative Shareholding during the year (as on 30 th June, 2015)	
	For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	DSP BLACKROCK SMALL AND MID CAP FUND		33,38,632	1.4979	33,38,632	1.4979
	Add: Market Purchase	30.01.2015	8,51,110	0.3818	41,89,742	1.8796
	Add: Market Purchase	06.02.2015	2,438	0.0011	41,92,180	1.8807
	Add: Market Purchase	27.02.2015	3,30,000	0.1480	45,22,180	2.0288
	Less: Market Sale	27.03.2015	-74,229	-0.0333	44,47,951	1.9955
	Less: Market Sale	17.04.2015	-39,368	-0.0177	44,08,583	1.9778
	Less: Market Sale	22.05.2015	-4,91,997	-0.2207	39,16,586	1.7571
	Less: Market Sale	29.05.2015	-2,52,892	-0.1135	36,63,694	1.6436
	Less: Market Sale	05.06.2015	-3,18,983	-0.1431	33,44,711	1.5005
	Less: Market Sale	12.06.2015	-3,45,460	-0.1550	29,99,251	1.3455
	Less: Market Sale	19.06.2015	-7,22,852	-0.3243	22,76,399	1.0212
	Less: Market Sale	26.06.2015	-4,53,739	-0.2036	18,22,660	0.8177
	Less: Market Sale	30.06.2015	-90,775	-0.0407	17,31,885	0.7770
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	17,31,885	0.7770
8.	NAVINCHANDRA S SHAH		16,52,660	0.7415	16,52,660	0.7415
	Add/Less:		-	-	16,52,660	0.7414
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	16,52,660	0.7414
9.	MV SCIF MAURITIUS		0	0.0000	0	0.0000
	Add: Market Purchase	30.09.2014	18,71,667	0.8398	18,71,667	0.8398
	Less: Market Sale	10.10.2014	-1,23,316	-0.0553	17,48,351	0.7844
	Less: Market Sale	17.10.2014	-54,804	-0.0246	16,93,547	0.7598
	Less: Market Sale	24.10.2014	-82,338	-0.0369	16,11,209	0.7229
	Less: Market Sale	31.10.2014	-4,598	-0.0021	16,06,611	0.7208
	Add: Market Purchase	14.11.2014	9,361	0.0042	16,15,972	0.7250
	Less: Market Sale	21.11.2014	-4,946	-0.0022	16,11,026	0.7228
	Add: Market Purchase	05.12.2014	28,272	0.0127	16,39,298	0.7355
	Add: Market Purchase	12.12.2014	13,598	0.0061	16,52,896	0.7416
	Less: Market Sale	19.12.2014	-40,578	-0.0182	16,12,318	0.7234
	Less: Market Sale	31.12.2014	-3,55,640	-0.1596	12,56,678	0.5638
	Add: Market Purchase	02.01.2015	34,618	0.0155	12,91,296	0.5793
	Add: Market Purchase	13.02.2015	31,671	0.0142	13,22,967	0.5935
	Less: Market Sale	27.03.2015	-56,405	-0.0253	12,66,562	0.5682
	Add: Market Purchase	31.03.2015	10,671	0.0048	12,77,233	0.5730
	Less: Market Sale	12.06.2015	-74,375	-0.0334	12,02,858	0.5396
	Less: Market Sale	26.06.2015	-28,124	-0.0126	11,74,734	0.5270
	Less: Market Sale	30.06.2015	-21,140	-0.0095	11,53,594	0.5175
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	11,53,594	0.5175

Sl. No.			Shareholding at the beginning of the year (as on 30 th June, 2014)		Cumulative Shareholding during the year (as on 30 th June, 2015)	
	For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	DSP BLACKROCK EQUITY FUND		42,33,803	1.8996	42,33,803	1.8996
	Add: Market Purchase	04.07.2014	9,80,000	0.4397	52,13,803	2.3393
	Add: Market Purchase	18.07.2014	47,364	0.0213	52,61,167	2.3605
	Less: Market Sale	22.08.2014	-84,806	-0.0381	51,76,361	2.3225
	Less: Market Sale	07.11.2014	-30,585	-0.0137	51,45,776	2.3087
	Less: Market Sale	28.11.2014	-99,513	-0.0446	50,46,263	2.2640
	Less: Market Sale	13.03.2015	-1,54,895	-0.0695	48,91,368	2.1944
	Less: Market Sale	20.03.2015	-62,961	-0.0282	48,28,407	2.1661
	Less: Market Sale	27.03.2015	-73,897	-0.0332	47,54,510	2.1330
	Less: Market Sale	31.03.2015	-40,368	-0.0181	47,14,142	2.1149
	Less: Market Sale	17.04.2015	-41,029	-0.0184	46,73,113	2.0965
	Less: Market Sale	01.05.2015	-80,000	-0.0359	45,93,113	2.0606
	Less: Market Sale	08.05.2015	-34,806	-0.0156	45,58,307	2.0450
	Less: Market Sale	22.05.2015	-5,79,575	-0.2600	39,78,732	1.7849
	Less: Market Sale	29.05.2015	-3,44,467	-0.1545	36,34,265	1.6304
	Less: Market Sale	05.06.2015	-4,29,119	-0.1925	32,05,146	1.4379
	Less: Market Sale	12.06.2015	-4,66,740	-0.2094	27,38,406	1.2285
	Less: Market Sale	19.06.2015	-9,72,148	-0.4361	17,66,258	0.7924
	Less: Market Sale	26.06.2015	-6,04,323	-0.2711	11,61,935	0.5213
	Less: Market Sale	30.06.2015	-1,20,674	-0.0541	10,41,261	0.4671
	At the End of the year (or on the date of separation, if separated during the year)		NA	NA	10,41,261	0.4671

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kaushik Dutta (At the beginning of the year)	4,000	0.002	-	-
	Add:	-	-	-	-
	Less:	-	-	-	-
	At the End of the year	-	-	4,000	0.002
2.	Mr. Sanjeev Sharma (at 3 rd October, 2014)	1,000	0.00	-	-
	Add:	-	-	-	-
	Less:	-	-	-	-
	At the End of the year	-	-	1,000	0.00
Key Managerial Personnel					
1	Mr. Sandeep Kanwar	9,855	0.004		
	Add:	-	-	-	-
	Less:	-	-	-	-
	At the End of the year	-	-	9,855	0.004

Mr. Sandeep Kanwar stepped down from the position of Chief Financial Officer w.e.f 1st April, 2015.

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	55,178.45	19,378.97	-	74,557.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.99	241.63	-	249.62
Total (i+ii+iii)	55,186.44	19,620.60	-	74,807.04
Change in Indebtedness during the financial year				
• Addition	-	29,231.19	-	29,231.19
• Reduction	-2,668.63	-	-	-2,668.63
Net Change	-2,668.63	29,231.19	-	26,562.56
Indebtedness at the end of the financial year				
i) Principal Amount	52,509.82	48,610.16	-	101,119.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.22	287.74	-	299.96
Total (i+ii+iii)	52,522.04	48,897.90	-	101,419.94

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/MTD/ Manager		Total Amount
		Mr. Harshavardhan Madhav Chitale	Mr. Premkumar Seshadri	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	112.35	-	112.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.18	-	2.18
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option*	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	114.53	-	114.53
	Ceiling as per the Act	NA		

The remuneration paid to Mr. Harshavardhan Madhav Chitale is upto 31st December, 2014, as he ceased to be Director w.e.f. close of business hours of 31st December, 2014.

*Mr. Chitale was granted 60,000 Options of Rs. 10/- each under Employee Stock Option Scheme 2000 (Scheme 2000). Each option confers a right to get 5 equity shares of Rs. 2/- each. The stock options granted to him stands forfeited/ lapsed as on 30th June, 2015.

B. Remuneration to other directors: (Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Fee for attending board /committee meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Mr. Ajay Vohra	-	-	-	-
	Dr. Pradeep Kumar Khosla	3.00	-	-	3.00
	Ms. Sangeeta Talwar	17.25	-	-	17.25
	Mr. Kaushik Dutta	19.50	-	-	19.50
	Mr. Dharendra Singh	21.00	-	-	21.00
	Mr. Sanjeev Sharma	4.50	-	-	4.50
	Ms. Ritu Arora	-			
	Total (1)				65.25
2.	Other Non-Executive Directors				
	Dr. Nikhil Sinha	-	-	-	-
	Mr. V.N. Koura	0.75	-	-	0.75
	Mr. Pawan Kumar Danwar	-	-	-	-
	Mr. Dilip Kumar Srivastava	-	-	-	-
	Total (2)				0.75
	Total (B)=(1+2)				
	Total Managerial Remuneration	66.00	-		66.00
	Overall Ceiling as per the Act	Rs. 1,00,000 per Board/ Committee meeting			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT D (Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Sandeep Kanwar (CFO) Upto 31 st March, 2015	Mr. S. G. Murali w.e.f 1 st April, 2015	Mr. Sushil Kumar Jain Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	120.58	47.07	41.72	209.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.79	0.17	2.86	6.82
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	124.37	47.24	44.58	216.19

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Information Regarding Employee Stock Option Scheme

The details of the options granted under the HCL Infosystems Limited, Employee Stock Option Scheme 2000 (Scheme 2000) and Employee Stock Based Compensation Plan 2005 (Scheme 2005) as on 30th June, 2015 are given below:-

Employee Stock Option Scheme 2000 (Scheme 2000)

Options Granted : 31,90,200 which confer a right to get 1 equity share of ₹10/- each (each equity share of the face value of ₹10/- has been sub divided into five equity shares of ₹2/- each).

Pricing Formula : The members of the Company at the Extra Ordinary General Meeting held on 25th February, 2000 approved the exercise price as the price which will be not less than 85% of the fair market value of the shares on the date on which the Board of Directors of the Company approved the Grant of such options to the employees or such price as the Board of Directors may determine in accordance with the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). The members of the Company at the Annual General Meeting held on 21st October, 2004, approved the amendment to the pricing formula that the options granted but not yet exercised by the employees or options that would be granted in future, would be at the market price on the date of grant. For this purpose the market price as specified in the amended provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the regulations/guidelines prescribed by SEBI or any relevant authority, from time to time to the extent applicable.

Variance of terms of options : The pricing formula has been amended that the options granted but not yet exercised by the employees or options that would be granted in future, would be at the market price. For this purpose, the market price means the market price as specified in the amended provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the regulations/guidelines prescribed by SEBI or any relevant authority, from time to time to the extent applicable.

Options Details :

Date of Grant	Grant Price (₹)	Options Vested till 30/06/2015	Options Exercised till 30/06/2015	Options Lapsed/ Forfeited during year ended 30/06/2015	Options in force as on 30/06/2015
10-Aug-00	289.00	Fully vested	13,63,708	-	-
28-Jan-04	538.15	Fully vested	8,44,093	-	-
25-Aug-04	603.95	Fully vested	57,892	-	-
18-Jan-05	809.85	Fully vested	39,977	-	-
15-Feb-05	809.30	Fully vested	2,400	-	-
15-Mar-05	834.40	Fully vested	3,794	-	-
15-Apr-05	789.85	Fully vested	960	-	-
14-May-05	770.15	Fully vested	970	-	-
15-Jun-05	756.15	Fully vested	3,565	-	-
15-Jul-05	978.75	Fully vested	1,318	-	-
13-Aug-05	1,144.00	Fully vested	-	-	-
15-Sep-05	1,271.25	Fully vested	-	-	-
15-Mar-07	648.75	Fully vested	7,300	3,600	49,200
23-Jan-08	898.25	Fully vested	-	9,634	7,598
18-Aug-09	627.25	Fully vested	-	20,000	-
26-Oct-10	586.75	Fully vested	-	60,000	-
2-Feb-11	516.50	Fully vested	-	-	-
30-Jan-12	233.25	6600	-	-	3,600
18-Jun-12	202.00	3600	-	-	-
9-Sep-13	132.00	3000	3,000	-	-
18-Sep-14	380.00	-	-	-	-
21-Nov-14	363.75	-	-	-	-
Total			23,28,977	93,234	60,398

Vesting Details : 30%- 12 months after the grant date
30%- 24 months after the grant date
40%- 42 months after the grant date

HCL INFOSYSTEMS

Employee Stock Based Compensation Plan 2005 (Scheme 2005)

Options Granted : 33,35,487 which confer a right to get 5 equity shares of ₹ 2/- each.

Pricing Formula : As per the resolution passed by members of the Company, through postal ballot, the result whereof was declared on 13th June, 2005, the options are granted at the market price on the date of grant or such price as the Board of Directors may determine in accordance with the Regulations and Guidelines prescribed by SEBI or other relevant authority from time to time. For this purpose, the market price as specified in the amended provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the regulations/guidelines prescribed by SEBI or any relevant authority from time to time to the extent applicable.

Variance of terms of options : No variation made.

Options Details :

Grant	Grant Price (₹)	Options Vested till 30/06/2015	Options Exercised till 30/06/2015	Options Lapsed/ Forfeited during year ended 30/06/2015	Options in force as on 30/06/2015
13-Aug-05	1,144.00	Fully vested	9,074	2,60,078	1,88,698
19-Oct-05	1,157.50	Fully vested	-	4,138	3,198
15-Nov-05	1,267.75	Fully vested	-	1,510	1,070
15-Dec-05	1,348.25	Fully vested	-	1,070	470
14-Jan-06	1,300.00	Fully vested	-	340	340
15-Feb-06	1,308.00	Fully vested	-	280	280
16-Mar-06	1,031.00	Fully vested	-	990	690
17-Apr-06	868.75	Fully vested	-	160	160
15-May-06	842.50	Fully vested	-	1,210	810
15-Jun-06	620.50	Fully vested	430	860	860
17-Jul-06	673.75	Fully vested	80	1,630	620
15-Mar-07	648.75	Fully vested	7,860	63,600	78,840
23-Jan-08	898.25	Fully vested	-	24,135	18,585
16-Aug-11	375.00	14,000	-	18,000	-
17-Aug-11	375.00	4,200	-	-	4,200
18-Jun-12	202.00	800	-	-	-
30-Jan-13	186.00	8,000	-	-	8,000
14-Feb-13	178.00	-	-	-	-
10-May-13	187.00	2,000	2,000	8,000	-
	Total		19,444	3,86,001	3,06,821

Vesting Details :

- 20%- 12 months after the grant date
- 20%- 24 months after the grant date
- 20%- 36 months after the grant date
- 20%- 48 months after the grant date
- 20%- 60 months after the grant date

Other Details

S.No.	Description	Scheme 2000	Scheme 2005
1.	Total number of shares arising as a result of exercise of options :	1,16,44,885.00 equity shares of ₹ 2 each	97,221 equity shares of ₹ 2/- each
2.	Money realised by exercise of options :	₹ 93,14,30,384.15	₹ 1,61,74,774.80
3.	Weighted average exercise price of options granted (₹) :	653.85	1,044.55
4.	Weighted average fair value of options granted (₹) :	78.48	148.95

S.No.	Description	Scheme 2000	Scheme 2005
5.	Employee-wise details of options granted to:		
	(i) Senior Management :		
	• Mr. J.V. Ramamurthy	45500	7500
	• Mr. Sandeep Kanwar	42000	7500
	• Mr. A.P.S. Bedi	18000	6500
	• Mr. Sutikshan Naithani	-	20000
	• Mr. M. Chandrasekaran	-	7000
	• Mr. Rajeev Tupsakri	6000	-
	• Mr. Sushil Kumar Jain	-	2500
	• Mr. Monishankar Hazra	5000	-
	• Mr. Sathiyamoorthy	10000	-
	• Mr. Bishwanath Bhattacharyya	10000	-
	• Mr. Sharad Talwar	10000	-
	(ii) Employees holding 5% or more of the total number of options granted during the year :	NIL	NIL
	(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL

The fair value of each stock option granted under Employee Stock Option Plan 2000 and Employee Stock Based Compensation Plan 2005, as on the date of grant has been computed using Black-Scholes Option Pricing Formula and the model inputs are given as under:

Description	Scheme 2000	Scheme 2005
Volatility :	31% to 54%	31% to 65%
Risk free rate :	7.28% to 8.27%	7.28% to 8.35%
Exercise Price :	₹ 132.00 to ₹ 1271.25	₹ 178.00 to ₹ 1348.20
Time to Maturity (years) :	2.20 to 5.50	2.50 to 7.00
Dividend Yield :	0% to 32%	0% to 37%
Life of options :	8.5 Years	10 Years
Fair Value of options as at the grant date :	₹1.69 to ₹ 196.18	₹ 0.00 to ₹ 268.16

Notes:

1. Volatility: Based on historical volatility in the share price movement of the Company.
2. Risk Free Rate: Being the interest rate applicable for maturity equal to the expected life of options based on yield curve for Government Securities.
3. Time to Maturity: Vesting period and volatility of the underlying equity shares have been considered for estimation.
4. Dividend Yield: Based on historical dividend payouts.

Where the Company has calculated the employee compensation cost using the intrinsic value of Stock Options, the difference between the employee compensation cost that shall have been recognised if it had used the fair value of Option

The Company has used intrinsic value method for calculating the employee compensation cost with respect to the Stocks Option.

HCL INFOSYSTEMS

The impact on the profit of the Company for the year ended 30th June, 2015 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

	2015 ₹/Crores	2014 ₹/Crores
Profit after tax as per statement of Profit and Loss (a)	(70.89)	(191.69)
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	-	-
Less: Employee Stock Compensation Expense as per Fair Value Method (Net of amount attributable to employees of subsidiaries ₹ 0.01 Crores)	0.12	0.03
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)*	(71.01)	(191.72)
Earning Per Share based on earnings as per (a) above:		
- Basic	(Rs. 3.18)	(Rs.8.60)
- Diluted	(Rs. 3.18)	(Rs.8.60)
Earning Per Share had fair value method been employed for accounting of employee stock options:		
- Basic	(Rs. 3.19)	(Rs.8.60)
- Diluted	(Rs. 3.19)	(Rs. 8.60)

* Excludes impact on tax expense of employee stock compensation expense.

Auditors' Certificate

To
The Board of Directors
HCL Infosystems Limited
806, Siddharth
96, Nehru Place
New Delhi-110019

Report of Statutory Auditors to HCL Infosystems Limited pursuant to requirement of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014,

1. This report is issued in accordance with the terms of our agreement dated August 17, 2015.
2. The accompanying Employee Stock Option Plan Scheme 2000 (hereinafter referred to as the "2000 Plan") and Employee Stock Based Compensation Plan 2005 (hereinafter referred to as the "Plan") contains provisions with regard to Employee Stock Option of HCL Infosystems Limited (hereinafter referred to as the "Company"), which we have initialed for identification purposes only.

Management's Responsibility

3. The Management of the Company are responsible for the implementation of the Plan by the Company in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as the "Guidelines") and in accordance with the special resolution passed by the shareholders of the Company in Extra Ordinary General Meeting on February 25, 2000 approving the 2000 Plan and under Section 192 A of the Companies Act, 1956 approving the 2005 Plan on June 13, 2005 (hereinafter referred to as the "Shareholders Resolution").
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Equity Listing Agreement and for providing all relevant information to the Securities and Exchange Board of India.

Auditors' Responsibility

5. Pursuant to the requirements of the Guidelines it is our responsibility to obtain reasonable assurance and form an opinion as to whether the accompanying Plan has been implemented in accordance with the Guidelines and Shareholders Resolution. For the purpose of our examination reliance was placed on audited financial statements for the year ended June 30, 2015 and books and records of the Company.
6. The financial statements referred to in paragraph 5 above, have been audited by us on which we issued an unmodified audit opinion vide our reports dated August 20, 2015. Our audits of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. Our examination was carried out in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.

Opinion

8. Based on our examination, as above, and according to the information and explanations given to us, we report that the Company has implemented the Plan in accordance with the Guidelines and the Shareholders' Resolution.

Restrictions on Use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to the compliance of the Plan with the Guidelines. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
10. This report is addressed to and provided to the Board of Directors of the Company pursuant to Clause 13 of the Guidelines solely to enable the Board of Directors of the Company to file it with the concerned stock exchange for obtaining in-principle approval and should not be used by any other person or for any other purpose. Price Waterhouse does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place : Gurgaon
Date : August 20, 2015

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders.

The Company adopts and adheres to the best recognized corporate governance practices and continuously strives to better them.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS:

- As on 30th June, 2015, the Board of Directors of the Company comprises of Eleven Directors. Of the Eleven Directors, ten are Non-executive Directors and six are Independent Directors including two Women Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 across all the Companies in which he/she is a Director. Necessary disclosures regarding Committee position in other public companies as on 30th June, 2015 have been made by the Directors.
- All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013 (Act). The maximum tenure of Independent Directors is in accordance with the Act.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the last Annual General Meeting and the number of Directorships and Committee Chairmanship/Memberships held by them in other public companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013. Chairmanship/Membership of Board Committees includes only Audit Committee and Shareholders' Relationship Committee.

Names	Category	No of Board Meetings during 2014-15		Whether attended last AGM held on 12 th November, 2014	No. of Directorships in other public companies as on 30 th June, 2015	No. of Committee positions held in other public companies as on 30 th June, 2015	
		Held	Attended			Chairman	Member
Dr. Nikhil Sinha (Chairman)	Non Independent & Non-executive Director	10	10	Yes	2	-	-
Mr. Premkumar Seshadri ¹ (Executive Vice Chairman & Managing Director)	Executive Director	10	9	Yes	4	-	1
Mr. Ajay Vohra ²	Independent & Non-executive Director	7	0	No	1	1	-
Mr. Dilip Kumar Srivastava	Non Independent & Non-executive Director	10	10	Yes	4	-	-
Mr. Dharendra Singh	Independent & Non-executive Director	10	10	Yes	4	1	3
Mr. Harshavardhan Madhav Chitale ³ (Managing Director & CEO)	Executive director	6	6	Yes	3	-	1
Mr. Kaushik Dutta	Independent & Non-executive Director	10	10	Yes	3	2	-
Mr. Pawan Kumar Danwar	Non Independent & Non-executive Director	10	9	Yes	2	-	2
Dr. Pradeep K. Khosla	Independent & Non-executive Director	10	3	No	-	-	-
Ms. Ritu Arora ⁴	Independent & Non-executive Director	2	2	NA	1	-	-
Ms. Sangeeta Talwar	Independent & Non-executive Director	10	8	Yes	6	-	-
Mr. Sanjeev Sharma ⁵	Independent & Non-executive Director	6	6	Yes	2	-	2
Mr. V N Koura	Non-Independent & Non-Executive Director	10	5	Yes	1	-	-

- Mr. Premkumar Seshadri, the Director was designated as Executive Vice Chairman w.e.f. 10th September, 2014 & Managing Director w.e.f. 1st January, 2015
- Mr. Ajay Vohra ceased to be Director of the Company w.e.f. 1st April, 2015 under the provisions of section 167(1)(b) of Companies Act, 2013

3. Mr. Harshavardhan Madhav Chitale ceased to be Director of the Company w.e.f. close of the business hours of 31st December, 2014
4. Ms. Ritu Arora was appointed as Additional Director of the Company w.e.f. 6th April, 2015
5. Mr. Sanjeev Sharma was appointed as Additional Director of the company w.e.f. 3rd October, 2014

(v) Ten Board Meetings were held during the financial year 2014-15 and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are as follows:

5 th August, 2014	27 th & 28 th August, 2014	9 th September, 2014
10 th September, 2014	20 th October, 2014	8 th December, 2014
22 nd January, 2015	1 st April, 2015	22 & 23 rd April, 2015
29 th /30 th June, 2015		

(vi) Necessary information as mentioned in Annexure X to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

Some of the items discussed at the Board/Board Committees meetings are listed below:

- Annual operating plans and budgets and all updates.
- Capital budgets and all updates.
- Quarterly Results for the Company and its operating divisions.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show Cause, Demand, Prosecution notices and penalty notices which are materially important.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Foreign exchange exposures and steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance, if any, regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Discussion & review of Business Operations.
- Advancing inter-corporate loan to subsidiaries.
- Issue of corporate guarantees(s) on behalf of subsidiaries.
- Minutes of meetings of Board of Directors of Subsidiary Companies.
- Review of operations of subsidiary companies.
- Review of related party transactions.
- Approval of remuneration by way of commission to Non Executive Director.
- Review of statutory compliances.
- Noting risk management procedures, the risks and the mitigation plans.
- Approval of change in composition of directors of subsidiaries.
- Approval for conversion of the Inter Corporate Loans into Equity Shares and Optionally fully Convertible Debentures.
- Approval of various policies & criteria's recommended by the Nomination and Remuneration Committee.
- Adoption of the revised Insider Trading Code of Conduct in compliances with the (prohibition of Insider Trading) Regulations, 2015.

3. COMMITTEES OF THE BOARD

i. ACCOUNTS AND AUDIT COMMITTEE:

- (i) The Accounts and Audit Committee of the Company was constituted in August' 1998.
- (ii) The Committee is governed by a Charter.
- (iii) The functions of the Audit Committee inter-alia include the following:
 - a. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment and, if required, the replacement or removal of the auditors of the Company.
 - b. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - c. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - d. To review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - e. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report under Companies Act.

- (ii) Changes, if any, in accounting policies and practices and reasons for the same.
- (iii) Major accounting entries involving estimates based on the exercise of judgment by management.
- (iv) Significant adjustments made in the financial statements arising out of audit findings.
- (v) Compliance with listing and other legal requirements relating to financial statements.
- (vi) Disclosure of any related party transactions.
- (vii) Qualifications in the draft audit report.
- f. Review, with the management, the quarterly financial statements before submission to the board for approval.
- g. Examination of the financial statements and the auditors' report thereon.
- h. Evaluation of internal financial controls and risk management systems.
- i. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- j. Reviewing & monitoring, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- k. Approval or any subsequent modification of transactions of the company with related parties.
- l. Scrutiny of inter-corporate loans and investments.
- m. Valuation of undertakings or assets of the Company, wherever necessary.
- n. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- o. Discussion with internal auditors of any significant findings and follow up there on.
- p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- q. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- r. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- s. To review the functioning of the Whistle Blower mechanism.
- t. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- u. The Audit Committee shall mandatorily review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief internal auditor.
- v. To perform any other function as may be assigned by the Board from time to time.
- (iv) The composition, powers, roles and the terms of reference of the Committee are in terms of the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All the Committee members have reasonable knowledge of finance and accounting and two members possess financial and accounting expertise.
- (v) The Composition of the Accounts and Audit Committee and details of meetings attended by its members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kaushik Dutta (Chairman)	Independent & Non-executive	9	9
Mr. Ajay Vohra ¹	Independent & Non-executive	6	0
Mr. Dharendra Singh	Independent & Non-executive	9	9
Dr. Nikhil Sinha	Non-Independent & Non-executive	9	8
Ms. Ritu Arora ²	Independent & Non-executive	2	2
Ms. Sangeeta Talwar ²	Independent & Non-executive	2	2

1. Mr. Ajay Vohra ceased to be director of the Company w.e.f. 1st April, 2015 under the provisions of section 167(1) (b) of Companies Act, 2013
2. Ms. Sangeeta Talwar & Ms. Ritu Arora were inducted as the members on the Committee w.e.f. 23rd April, 2015

- (vi) The Audit Committee met nine times during the financial year 2014-15 on the following dates:

5 th August, 2014	26 th , 27 th & 28 th August, 2014	20 th October, 2014
8 th December, 2014	21 st January, 2015	10 th February, 2015
22 nd April, 2015	18 th May, 2015	30 th June, 2015

- (vii) The previous Annual General Meeting of the Company was held on 12th November, 2014 and it was attended by the Chairman of the Committee.

- (viii) The Company Secretary of the Company acts as Secretary to the Committee.

ii. NOMINATION & REMUNERATION COMMITTEE:

- The Nomination & Remuneration Committee was constituted in August 1998.
- The Committee is governed by a Charter.
- The terms of reference of the Committee inter alia includes to:-

Charter of the Committee:

The purpose of the Committee is to:

- Manage the following set of activities with respect to members of the Board of Directors of the Company:
 - Appointment of Directors
 - Formulate the criteria for determining qualification, positive attributes and independence of Directors
 - Review and recommend potential candidates to the Board for appointment with due consideration to Board diversity
 - Evaluation of performance of the Directors of the Board
 - Establish criteria for evaluation of Director's performance
 - Conduct Evaluation and submit the report to Chairman of the Board (if necessary the committee may seek external consulting assistance in this matter)
 - Remuneration of Directors including Executive & Non-Executive Directors
 - Recommend policy for approval by the Board
 - Manage the following set of activities with respect to Key Managerial Personnel viz. Executive Directors, Managing Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary of the Company and in future, such persons as recommended by the Board:
 - Establish and Review the performance scorecard for key managerial personnel for each financial year
 - Review and recommend compensation, incentive & bonus plans for MD/CEO and other Key Managerial Personnel on the basis of Performance evaluation outcomes
 - The committee should also review, guide and finalize succession planning for Key Managerial Personnel
 - Manage the following set of activities with respect to Senior Management of the Company:
 - Review the performance scorecard for the Senior Management for each financial year
 - Review and recommend to the Board the compensation, incentive & bonus plans for Senior Management as proposed by the CEO on the basis of his / her evaluation of the Performance outcomes of the Senior Management
 - The committee should also review, guide and finalize succession planning for Senior Management
 - Other activities:
 - Wherever considered necessary, the committee may review matters such as Organizational Structure, HR Charter, proposal from the CEO on annual compensation plan, pay hikes and budgets across organization for all employees globally etc.
 - Review & recommend the Stock Option Plans
 - Approve the individual grant of options to employees and/or non-independent Directors
 - In case considered appropriate the Board may recommend a review of any other areas considered critical to performance of Business
- (iv) The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Dharendra Singh (Chairman)	Independent & Non-executive	8	8
Mr. Dilip Kumar Srivastava	Non - Independent & Non-executive	8	8
Ms. Sangeeta Talwar	Independent & Non-executive	8	7

- (v) The Committee met eight times during the financial year 2014-15 on the following dates:

9 th July, 2014	26 th August, 2014	9 th September, 2014
20 th October, 2014	8 th December, 2014	21 st January, 2015
22 nd April, 2015	30 th June, 2015	

- (vi) Compensation policy for Non-executive Directors (NEDs):

Within the ceiling of 1% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013 and after obtaining the approval of the shareholders, the Non-executive Directors (other than Promoter Director) are paid a commission, the amount whereof is determined based on the policy adopted by the Company laying down the criteria relating to their positions on the Board and the various Board Committees. However, in view of the losses incurred by the Company during the year ended 30th June, 2015, the Board has decided that no commission be paid to Non-executive Directors for the year ending 30th June, 2015.

These Directors are also paid sitting fees at the rate of ₹ 75,000 for attending each meeting of the Board and the Board Committees. The sitting fees is paid only to the Independent Directors.

- (vii) Details of remuneration paid / payable to all the Directors for the period from 1st July, 2014 to 30th June, 2015:

(₹/Lacs)

Name	Salary & Allowances	Perquisites	Performance Linked Bonus	Commission	Sitting Fees
Executive Directors					
Mr. Harshavardhan Madhav Chitale ¹	102.63	11.90	NIL	NIL	NIL
Mr. Premkumar Seshadri ²	NIL	NIL	NIL	NIL	NIL
Non-executive Directors					
Dr. Nikhil Sinha	NIL	NIL	NIL	NIL	NIL
Mr. V N Koura	NIL	NIL	NIL	NIL	0.75
Mr. Dilip Kumar Srivastava	NIL	NIL	NIL	NIL	NIL
Mr. Pawan Kumar Danwar	NIL	NIL	NIL	NIL	NIL
Dr. Pradeep K. Khosla	NIL	NIL	NIL	NIL	3.00
Mr. Dharendra Singh	NIL	NIL	NIL	NIL	21.00
Ms. Sangeeta Talwar	NIL	NIL	NIL	NIL	17.25
Mr. Kaushik Dutta	NIL	NIL	NIL	NIL	19.50
Mr. Sanjeev Sharma	NIL	NIL	NIL	NIL	4.50
Ms. Ritu Arora	NIL	NIL	NIL	NIL	NIL
Mr. Ajay Vohra	NIL	NIL	NIL	NIL	NIL

¹Mr. Harshavardhan Madhav Chitale ceased to be Managing Director & CEO of the Company w.e.f. close of business hours of 31st December, 2014. No performance Linked bonus was paid to Mr. Harshavardhan Madhav Chitale during the year under review.

²Mr. Premkumar Seshadri is not paid any remuneration by the Company.

The above remuneration excludes reimbursement of expenses on actual to the Directors for attending meetings of the Board/Committees.

- (viii) Details of Stock Options issued to Directors:

- Mr. Harshavardhan Madhav Chitale was granted 60,000 options under Employee Stock Option Plan 2000. Each option confers a right to apply for 5 equity shares of ₹2/- each. As on 30th June, 2015, all options have been lapsed.

- (ix) Period of contract of Executive Director:

- (a) Mr. Premkumar Seshadri, Managing Director: 3 Years from 1st January, 2015.
- (b) Mr. Harshavardhan Madhav Chitale ceased to be Managing Director & CEO of the Company w.e.f. close of business hours of 31st December, 2014.

- (x) There were no pecuniary relationships or transactions of the Senior Management vis-à-vis the Company.

- (xi) As on 30th June, 2015, Mr. Kaushik Dutta was holding 4,000 shares & Mr. Sanjeev Sharma was holding 1000 shares in the Company. No other Director was holding any shares of the Company as on 30th June, 2015. There is not any relationship between the Directors of the Company.

iii. STAKEHOLDERS RELATIONSHIP COMMITTEE:

- (i) The Stakeholders Relationship Committee was constituted to oversee and review all matters connected with the transfer & transmission of Shares of the Company and the matters related thereto and redressal of Shareholders/Investors' complaints.

- (ii) The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Ms. Sangeeta Talwar (Chairperson) ¹	Independent & Non-executive	4	4
Mr. Dharendra Singh ²	Independent & Non-executive	2	2
Mr. Harshavardhan Madhav Chitale ³	Non-Independent & executive	2	2
Mr. Premkumar Seshadri ⁴	Non-Independent & executive	4	4

1. Ms. Sangeeta Talwar was designated as Chairperson w.e.f. 20th October, 2014
2. Mr. Dharendra Singh was inducted on the Committee as member w.e.f. 21st January, 2015
3. Mr. Harshavardhan Madhav Chitale ceased to be the member of the Committee w.e.f. close of the business hours on 31st December, 2014
4. Mr. Premkumar Seshadri, who was earlier chairman was re-designated as member w.e.f. 20th October, 2014

- (iii) The Committee met four times during the financial year 2014-15 on the following dates:

26 th August, 2014	20 th October, 2014	21 st January, 2015
22 nd April, 2015		

- (iv) Name, designation and address of Compliance Officer:

Mr. Sushil Kumar Jain
Company Secretary
HCL Infosystems Limited
E- 4,5,6, Sector - 11,
NOIDA (U.P.) – 201301
Tel: 0120-2526490
Fax:0120-2525196

- (v) During the year under review, the Company received eight Complaints from SEBI/Stock Exchanges/MCA. All complaints were redressed to the satisfaction of the shareholder. No complaints were pending either at beginning or at the end of the year. There were no shares pending for transfer as on 30th June, 2015.

iv. OTHER COMMITTEES

a) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- In compliance with Section 135 of Companies Act, 2013, Corporate Social Responsibility Committee was constituted in 2014.
- The Committee is governed by a Charter.
- The terms of reference of the Committee inter alia includes to:-
 - To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company;
 - To recommend the amount of expenditure to be incurred on the activities referred above;
 - To monitor the Corporate Social Responsibility Policy of the Company from time to time;
 - To undertake such other activities as it may deem expedient to discharge its functions or which can be assigned to it by the Board of Directors from time to time.
- The composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Ms. Sangeeta Talwar (Chairperson)	Independent & Non- executive Director	2	2
Mr. Pawan Kumar Danwar	Non-Independent & Non- executive Director	2	2
Mr. Dilip Kumar Srivastava	Non-Independent & Non- executive Director	2	2

b) FINANCE COMMITTEE

- The Company constituted a Committee of Director in 1999 and renamed as Finance Committee in 2011.
- The Committee is governed by a Charter.
- The terms of reference of the Committee inter alia includes to:-

- a. Capital structure plans and specific equity and debt financings
 - b. Annual budgets and other financial estimates and provide its recommendations to the Board
 - c. Review the actual performance of the Company against the plans
 - d. Capital expenditure plans and specific capital projects
 - e. Evaluate the performance of and returns on approved capital expenditure
 - f. Customer financing
 - g. Mergers, Acquisitions and Divestitures
 - h. Evaluate the performance of acquisitions
 - i. Fresh/further Investment in Subsidiaries / JVs / Branches
 - j. Evaluate the performance of Subsidiaries / JVs / Branches
 - k. Plans and strategies for managing the foreign exchange exposure
 - l. Investment of surplus funds
 - m. Recommend dividend policy to the Board
 - n. Insurance coverage and program
 - o. Review the corporate guarantees / bonds provided by the Company either directly or through banks in connection with the Company's business, to any third parties, and recommend the same to the Board
 - p. Approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
 - q. Review of the total BG issued v/s BG Limits
- iv. The composition of the Finance Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kaushik Dutta (Chairman)	Independent & Non-executive	8	8
Mr. Harshavardhan Madhav Chitale ¹	Non-Independent & executive	4	4
Mr. Premkumar Seshadri	Non-Independent & executive	8	8
Mr. Pawan Kumar Danwar	Non-Independent & Non-executive	8	7
Ms. Ritu Arora ²	Independent & Non-executive	2	2

1. Mr. Harshavardhan Madhav Chitale ceased to be the member of the Committee w.e.f. close of the business hours on 31st December, 2014
2. Ms. Ritu Arora was inducted as member w.e.f. 23rd April, 2015

c) TECHNOLOGY COMMITTEE

- i. The Technology Committee was constituted in 2014.
- ii. The Committee is governed by a Charter.
- iii. The terms of reference of the Committee inter alia includes to:-
 - a) The Committee shall review and discuss with management the Company's overall technology and innovation strategy, including objectives, strategic initiatives, investments and research and development activities. Such review and discussions shall include, at the Committee's election, (i) participating in and facilitating the strategic planning process with regard to technology and innovation; (ii) reviewing and analyzing technology budget support for corporate strategic initiatives; and (iii) in recognition of the need to respond quickly to a rapidly evolving market environment, assisting management in prioritizing technology support for corporate strategic initiatives.
 - b) The Committee shall consult with the Finance Committee in connection with the Finance Committee's review and authorization of, or formulation of recommendations to the Board regarding, material acquisitions, dispositions, capital expenditures and long-term commitments, to the extent such actions relate to the Company's technology and innovation strategy.
 - c) The Committee shall periodically monitor and evaluate the performance of the Company's initiatives in support of its technology and innovation strategy, including the execution, consumer acceptance and integration of new products and services.
 - d) The Committee shall review and discuss with management, as appropriate, major technology risks and opportunities for the Company, and emerging issues and trends in the broader marketplace.
 - e) The Committee may delegate authority to individual Committee members or such subcommittees as the Committee deems appropriate and shall review the actions of all such individuals or subcommittees as appropriate.

- f) The Committee may retain and terminate independent legal, financial or other advisers as it may deem necessary.
- g) The Committee shall report to the Board regularly on its actions and deliberations and shall make recommendations, where appropriate, to the Board regarding the Company's technology strategy, policies and practices.
- iv. The composition of the Technology Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Premkumar Seshadri (Chairman)	Non-Independent & executive	2	2
Mr. Nikhil Sinha ¹	Non-Independent & Non-executive	2	2
Dr. Pradeep Kumar Khosla	Independent & Non-executive	2	1

1. Mr. Nikhil Sinha was inducted as member w.e.f. 21st January, 2015

4. INDEPENDENT DIRECTORS' MEETING

During the period under review, the Independent Directors met on 30th June, 2015, inter alia, to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors.
- assess quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

5. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

On induction of an Independent Director on the Board of the Company, a familiarization programme is conducted to familiarize him/her with the Company's procedures and practices. Company's Managing Director, CFO and Business Heads attend the meeting and necessary documents/brochures, reports and internal policies are provided to enable him/her to familiarise with the Company's policies.

The details of such familiarization programmes are posted on the website of the Company and can be accessed at http://www.hclinfosystems.in/sites/default/files/Familiarisation_programme_For_Independent_Directors.pdf

6. CRITERIA/POLICY FOR APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND THEIR REMUNERATION

a. Criteria of appointment of Director

Qualification & Criteria

- The Directors shall meet the criteria for qualification, experience and independence (in case of Independent Directors), as laid down by the Nomination & Remuneration Committee.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a director's identification number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall provide his/her written consent to act as a Director;
- Shall endeavour to attend all Board meetings and wherever he/she is appointed as a Board committee ("Committee") member, the Committee meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and senior management personnel;
- Shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his/her shareholding at the time of appointment and the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Shall meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors, in the case of appointment of Independent Directors;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

The Nomination and Remuneration Committee (NRC) shall evaluate each individual with the objective of having a Board that best enables the success of the Company's business.

Vacation of office of Director

The office of Director shall be deemed to be vacated as per the provisions of the Companies Act, 2013.

b. Criteria of appointment of Senior Management

The following criteria are adopted for appointment of the Senior Management:

- There has to be a clear vacancy / requirement for the job for which the candidate (internal / external) is considered. The position should be cleared by the CPO & Managing Director.
- The job description / responsibilities/ reporting relationships must be clearly defined.
- The candidate being considered must be a known functional expert in the relevant field of work.
- The Senior Management candidate shall be interviewed by CPO, MD and by the panel decided by CPO & MD.
- The appointment of the final shortlisted candidate must also be approved by the Departmental Heads/CPO & MD.

Senior Management Personnel shall abide by the Code of Conduct established by the Company.

The NRC shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

c. Criteria for Determining Qualifications, Positive Attributes and Independence of a Director**1. Qualification for appointment of directors (including Independent Director)**

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/ or public service.
- Their skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
- As per the applicable provisions of Companies Act 2013, Rules made there under and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

2. Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- To exercise his/her responsibilities in a bona-fide manner in the interest of the Company.
- To assist the Company in implementing the best corporate governance practices.
- To maintain confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time.

3. Independence of Independent Directors-

An Independent Director should meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors.

d. Remuneration Policy**a) Key principles of the Policy**

While designing compensation for Directors, Key Managerial Personnel and Senior Management, the following set of principles act as guiding factors:

- a) Aligning key executive and board remuneration with the long term interests of the Company and its shareholders;
- b) Minimize complexity and ensure transparency;
- c) Link compensation to long term strategy and annual business performance of the Company.
- d) Promotes a culture of meritocracy and is linked to key performance and business drivers.

- e) Reflective of line expertise, market competitiveness so as to attract the best talent.
- f) In evaluating the suitability of individual Board members, the Committee will take into account multiple factors, including their general understanding of the business, education, professional background, personal achievements, etc. Few important criteria against which each prospective candidate will also be evaluated are personal and professional ethics, integrity and values.
- g) Conduct a review of remuneration on a periodic basis to ensure directors of the Company are compensated effectively in a manner consistent with the business strategy of the Company, and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.

b) Remuneration Policy for Executive Directors

- a) The remuneration paid to executive Directors is recommended by the Committee and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.
- b) At the Board meeting, only the Non-executive and Independent Directors participate in the item approving the remuneration paid to the Executive Directors. The remuneration is arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the sections 178 and 197 of the Act, read with schedule V to the Act and Clause 49 of the Listing Agreement entered into by and between the Company and the stock exchange(s).
- c) The Board on the recommendation of the Committee shall also review and approve the remuneration payable to the Key Managerial Personnel (KMP) of the Company.
- d) The remuneration structure to the Executive Directors and the KMP shall inter alia include the following components as:-
 - (i) basic pay,
 - (ii) perquisite & allowances,
 - (iii) stock options,
 - (iv) annual performance bonus, and
 - (v) retiral benefits
- e) In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure/ consider the following:
 - (a) the relationship of remuneration and performance benchmarks is clear;
 - (b) balance between fixed and incentive pay reflecting short and long term performance objectives is appropriate as per the working of the Company and its goals;
 - (c) responsibility required to be shouldered by the Executive Director, the industry benchmarks and the current trends;
 - (d) Company's performance vis-à-vis the annual budget achievement and individual performance vis-a-vis the KRAs / KPIs.

(c) Remuneration policy for Non- executive & Independent Directors

The Non-executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- a) A Non-executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- b) A Non-executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committees subject to approval from the shareholders.
- c) The total commission payable to the Non-executive Directors shall not exceed 1% of the net profit of the Company;
- d) The commission shall be payable on prorata basis to those Directors who occupy office for a part of the year.
- e) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company.

(d) Remuneration policy for Key Managerial Personnel/Senior Management & Other Employees

- a) The Key Managerial Personnel /Senior Management & Other Employees shall be paid remuneration basis their employment agreement with the Company.

- b) Performance of Key Managerial Personnel/Senior Management & Other Employees shall be evaluated periodically against the defined & agreed Key Result Areas aligned to business & organization objectives transparently.
- c) The Remuneration for Key Managerial Personnel/Senior Management & Other Employees shall include fixed and performance bonus/ variable, balancing the short and long term performance objectives, scope of the role; appropriate as per the working of the Company and its goals.
- d) Schemes detailing the performance parameters & metrics for Key Managerial Personnel/Senior Management & Other Employees to earn their bonus/ variable shall be documented & made available for them to read & comprehend.
- e) Any changes in the remuneration value or structure for Key Managerial Personnel/Senior Management & Other Employees shall be in accordance to applicable employment law & will be communicated in writing to them.

7. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a formal annual performance evaluation has been done by the Board of its own performance, the Directors individually as well as the evaluation of its Accounts & Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

For evaluation of the Board and its Committee, questionnaires were prepared covering Board and Committee composition, effectiveness, performance of responsibilities, obligation and duties to evaluate. A separate exercise through Questionnaires was done to evaluate the performance of individual Directors including Independent Directors by the entire Board. Independent Directors in their separate meeting have reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

8. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT:

The Company has adopted a comprehensive Code of Conduct for its Directors and Senior Management, which lays the standards of business conduct, ethics and governance.

The Code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance of the same.

The declaration signed by the "Executive Vice Chairman & MD" is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2014-15."

Sd/-

Premkumar Seshadri
Executive Vice Chairman & MD

9. UNLISTED SUBSIDIARY COMPANIES:

The Company has fourteen unlisted subsidiaries as on 30th June, 2015 as under:

S.No.	Name of the Company	Date of Incorporation / Acquisition
1.	HCL Services Limited (formerly known as HCL Care Limited)	28 th September, 2012
2.	HCL Infotech Limited (formerly known as HCL System Integration Limited)	28 th September, 2012
3.	HCL Learning Limited	28 th September, 2012
4.	Digilife Distribution and Marketing Services Limited	19 th March, 2008
5.	Pimpri Chinchwad eServices Limited	21 st September, 2010
6.	HCL Computing Products Limited	12 th July, 2012
7.	HCL Infosystems MEA FZE, Dubai (acquired)	4 th July, 2010
8.	HCL Infosystems LLC, Dubai (acquired)	4 th July, 2010
9.	HCL Infosystems MEA LLC Abu Dhabi (acquired)	4 th July, 2010
10.	HCL Insys Pte. Limited, Singapore	17 th December, 2009
11.	HCL Investments Pte. Limited, Singapore	29 th November, 2010
12.	HCL Infosystems South Africa (Pty) Limited, South Africa	9 th May, 2011
13.	HCL Touch Inc., US	29 th August, 2011
14.	HCL Infosystems Qatar WLL (acquired)	26 th January, 2012

Note:

On disinvestment of the entire investment in the equity shares of RMA Software Park Private Limited (RMA), RMA ceased to be subsidiary of the Company with effect from 24th September, 2014.

The Audit Committee reviewed the financial statements of the unlisted subsidiary companies. The Minutes of the Board Meetings of the unlisted subsidiary companies are regularly placed before the Board. The Board also review the statement of all significant transaction and arrangement entered into by the unlisted subsidiary companies. Presently the company is having a policy on Subsidiaries which is posted on the website of the Company and can be assessed at http://www.hclinfosystems.in/sites/default/files/Policy_on_Subsiidiaries.pdf

10. RELATED PARTY TRANSACTIONS

All related party transactions as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company during the financial year which may have a potential conflict with the interest of the Company at large.

The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a Related Party Transactions Policy in compliance with the applicable provisions of the Companies Act 2013 and the Listing Agreement. The said Policy is posted on the website of the Company and can be assessed at http://www.hclinfosystems.in/sites/default/files/Policy_on_Related_party_transactions.pdf

All related party transactions are placed before the Audit Committee as also the Board for approval.

11. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. No person has been denied access to the Chairman of the Audit Committee. The said Policy is posted on the website of the Company and can be assessed at http://www.hclinfosystems.in/sites/default/files/Whistleblower_Policy_0.pdf

12. PROHIBITION OF INSIDER TRADING

As Per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the revised Code of Conduct for internal Procedures and to regulate, monitor and report trading by Insiders.

13. GENERAL BODY MEETINGS

(i) The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2013-14	12 th November, 2014	10:30 A.M	FICCI Auditorium, 1, Tansen Marg, New Delhi-110001
2012-13	15 th November, 2013	10:30 A.M	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi 110010
2011-12	7 th November, 2012	10:30 A.M	FICCI Auditorium, 1, Tansen Marg, New Delhi-110001

(ii) Special resolutions which were passed at last three AGMs are as follows:

12th November, 2014

- To continue payment of remuneration on existing basis to Mr. Harshavardhan Madhav Chitale, Managing Director & CEO.

15th November, 2013

- Re-designation of Mr. Harshavardhan Madhav Chitale as Managing Director & Chief Executive Officer and payment of remuneration to him w.e.f. 1st July, 2013.
- Approval of remuneration paid to Mr. Harshavardhan Madhav Chitale for the year ended 30th June, 2013
- Approval of remuneration to Mr. J.V. Ramamurthy w.e.f. 1st July, 2013
- Approval of remuneration paid to Mr. J.V. Ramamurthy
- Approval of contract(s) with M/s Manipal Global Education Services Private Limited

7th November, 2012

No special resolution was passed

14. Resolutions which were passed through Postal Ballot

During the year, the members of the Company have approved the following Resolutions through postal ballot, the result of which was delivered on 12th May, 2015:

► SPECIAL RESOLUTION

- Alteration of the Objects Clause and Liability Clause of the Memorandum of Association of the Company
- Adoption of new set of Articles of Association of the Company
- Change in borrowing limits of the Company
- Creation of charge/mortgage on properties of the Company in favor of banks/FI's etc.

► ORDINARY RESOLUTION

- Appointment of Mr. Premkumar Seshadri, Executive Vice-Chairman as "Managing Director" of the Company

HCL INFOSYSTEMS

The Board had appointed Mr. Vineet K Chaudhary, Practicing Company Secretary as Scrutinizer for conducting the postal ballot and e- voting process in a fair and transparent manner.

The details of the voting pattern in respect of Resolutions through postal ballot were as under:

1. Alteration of the Objects Clause and Liability Clause of the Memorandum of Association of the Company							
Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(a)	(b)	(c)=(b)/(a)*100	(d)	(e)	(f)=(d)/(b)*100	(g)=(e)/(b)*100
Promoter and Promoter Group	129377844	129305004	99.944	129305004	0	100	0
Public- Institutional Holders	23090551	19712257	85.369	19712257	0	100	0
Public- Others	70436234	717775	1.019	690479	27296	96.197	3.803
Total	222904629	149735036	67.174	149707740	27296	99.982	0.018
The above resolution was duly approved with requisite majority by the members of the Company as Special resolution							
2. Adoption of new set of Articles of Association of the Company							
Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(a)	(b)	(c)=(b)/(a)*100	(d)	(e)	(f)=(d)/(b)*100	(g)=(e)/(b)*100
Promoter and Promoter Group	129377844	129305004	99.944	129305004	0	100.000	0
Public- Institutional Holders	23090551	19712257	85.369	9962093	9750164	50.538	49.462
Public- Others	70436234	718389	1.020	625831	92558	87.116	12.884
Total	222904629	149735650	67.175	139892928	9842722	93.427	6.573
The above resolution was duly approved with requisite majority by the members of the Company as Special resolution							
3. Change in borrowing limits of the Company							
Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(a)	(b)	(c)=(b)/(a)*100	(d)	(e)	(f)=(d)/(b)*100	(g)=(e)/(b)*100
Promoter and Promoter Group	129377844	129305004	99.944	129305004	0	100	0
Public- Institutional Holders	23090551	19712257	85.369	19712257	0	100	0
Public- Others	70436234	720914	1.023	681416	39498	94.521	5.479
Total	222904629	149738175	67.176	149698677	39498	99.974	0.026
The above resolution was duly approved with requisite majority by the members of the Company as Special resolution							
4. Creation of charge/mortgage on properties of the Company in favor of banks/FI's etc.							
Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(a)	(b)	(c)=(b)/(a)*100	(d)	(e)	(f)=(d)/(b)*100	(g)=(e)/(b)*100
Promoter and Promoter Group	129377844	129305004	99.944	129305004	0	100	0
Public- Institutional Holders	23090551	19712257	85.369	19712257	0	100	0
Public- Others	70436234	726794	1.032	677755	49039	93.253	6.747
Total	222904629	149744055	67.179	149695016	49039	99.967	0.033
The above resolution was duly approved with requisite majority by the members of the Company as Special resolution							
5. Appointment of Mr. Premkumar Seshadri Executive Vice-Chairman as "Managing Director" of the Company							
Promoter/Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(a)	(b)	(c)=(b)/(a)*100	(d)	(e)	(f)=(d)/(b)*100	(g)=(e)/(b)*100
Promoter and Promoter Group	129377844	129305004	99.944	129305004	0	100	0
Public- Institutional Holders	23090551	19712257	85.369	19712257	0	100	0
Public- Others	70436234	720419	1.023	701364	19055	97.355	2.645
Total	222904629	149737680	67.176	149718625	19055	99.987	0.013
The above resolution was duly approved with requisite majority by the members of the Company as Ordinary resolution							

There is no other immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

15. MD/CFO CERTIFICATION

The Certificate as stipulated in clause 49(IX) of the Listing Agreement with the Stock Exchanges was placed before the Board along with the financial statements for the year ended 30th June, 2015 and the Board reviewed the same.

16. DISCLOSURES

- (i) The Company has complied with the requirements of the Stock Exchanges/SEBI/any Statutory Authority on all matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authorities relating to the above.
- (ii) A qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (iii) The Company has adopted a statement indicating development and implementation of a risk management policy, including identification therein of elements of risk if any, which in the opinion of the Board may threaten the existence of the Company.
- (iv) Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been done by M/s Navneet K Arora & Co.
- (v) As per the policy the Company has developed a well-defined Risk Management Framework to track and evaluate all business risks and process gaps. The top management of the Company takes periodic review of the business processes and environment risk analysis reports by the respective business heads. It covers identifying, analysing, planning, monitoring, controlling and preventing risks.
- (vi) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to Clause 49 of the Listing Agreement with the Stock Exchanges:
 - (a) The statutory financial statements of the Company are unqualified.
 - (b) Internal Auditor can directly report to the Audit Committee.

17. MEANS OF COMMUNICATION:

- (i) **Quarterly/Half Yearly/Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- (ii) **News Releases:** The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State where the Registered Office of the Company is situated.

The quarterly financial results during the financial year 2014-15 were published as detailed below:

Quarter (FY 2014-15)	Date of Board Meeting	Date of Publication	Name of the Newspaper
1	20 th October, 2014	21 st October, 2014	Business Standard & Veer Arjun
2	22 nd January, 2015	23 rd January, 2015	Business Standard & Veer Arjun
3	23 rd April, 2015	24 th April, 2015	Business Standard & Veer Arjun

- (iii) **Website:** The Company's website www.hclinfosystems.com contains a separate section on 'Investors' where the latest shareholders information is available. The Quarterly, Half Yearly and Annual Results are regularly posted on the website. Press releases made by the Company from time to time and presentations made to investors and analysts are displayed on the Company's website.
- (iv) **NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing centre:** National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have developed web based applications for Corporates. Periodical compliances like financial results, shareholding pattern and corporate governance report, etc are also filed electronically on NEAPS/ BSE Listing centre. Hard copies of the said disclosures and correspondences are also filed with the BSE and NSE.
- (v) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important informations are circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.
- (vi) **Reminders to Investors:** Reminders for unpaid/unclaimed dividend are sent to the Shareholders as per records.

18. GENERAL SHAREHOLDERS' INFORMATION

(i) Annual General Meeting:

 Date : Thursday, 19th November, 2015

Time : 10:00 A.M.

Venue : FICCI Auditorium, 1, Tansen Marg, New Delhi-110 001

(ii) The Company follows July to June year end.

(iii) Financial Calendar (Tentative Calendar for the financial year 2015-16):

 Adoption of Results for the quarter ending 30th September, 2015 : 21st October, 2015

 Adoption of Results for the quarter ending 31st December, 2015 : 22nd January, 2016

 Adoption of Results for the year (9 months) ending 31st March, 2016 : 25th May, 2016

 Adoption of Results for the quarter ending 30th June, 2016 : 22th July, 2016

 (iv) Date of Book Closure : 16th November, 2015 (Monday) to 19th November, 2015 (Thursday) (both days inclusive)

 (v) Listing on Stock Exchanges : National Stock Exchange of India Limited
BSE Limited

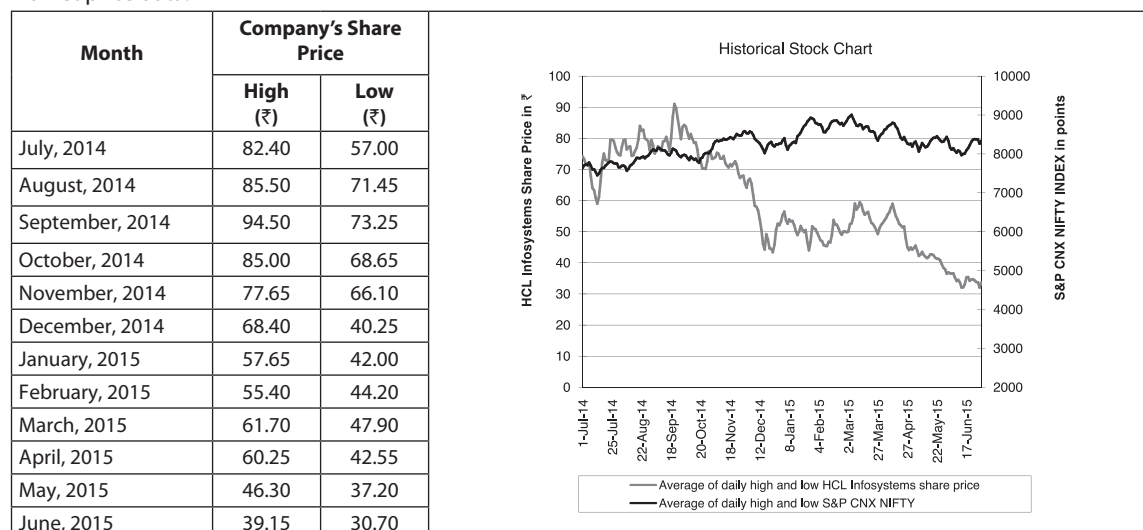
(vi) Stock Codes/Symbol :

National Stock Exchange of India Limited : HCL-INSYS

BSE Limited : Physical Form – 179

: Electronic Form – 500179

(vii) Market price data:



(source : The National Stock Exchange of India Ltd.)

(viii) Registrar and Share Transfer Agents (RTA):

 Name & Address : M/s. Alankit Assignments Limited
205-208, Anarkali Complex
Jhandewalan Extension,
New Delhi-110055

Contact Person : Mr. J. K. Singla, Senior Manager

Phone No. : 011-42541234, 23541234

Fax No. : 23552001

E-Mail : rta@alankit.com

(ix) Share Transfer System:

Transfer of dematerialized shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with Alankit Assignments Limited, the RTA of the Company, at their address mentioned above. Transfer of shares in physical form are normally processed within 10-15 days from the date of receipt, if the documents are complete in all respects.

(x) Shareholders' Referencer:

The shareholders' referencer is available on the Company's website. Any shareholder who wishes to obtain copy of the same can send his request to the Company Secretary.

(xi) Distribution of Shareholding as on 30th June, 2015:

No. of equity shares	Shareholders		Total Shares	
	Number	(%)	Number	(%)
Upto 500	64154	79.26	9323244	4.18
501-1000	8010	9.90	6644608	2.98
1001-2000	4309	5.32	6648206	2.99
2001-3000	1537	1.90	3988246	1.79
3001-4000	664	0.82	2410825	1.08
4001-5000	623	0.77	2970346	1.33
5001-10000	837	1.03	6333748	2.84
10001 and above	811	1.00	184585406	82.81
Total	80945	100.00	222904629	100.00

(xii) Shareholding pattern as on 30th June, 2015:

Category	No. of shares	Percentage (%)
Promoters / Promoters Group	129377844	58.04
Mutual Funds / UTI	2790289	1.25
Financial Institutions / Banks	4012577	1.80
Foreign Institutional Investors	7991402	3.59
Bodies Corporate	14279153	6.41
Indian Public	62576231	28.07
NRI / OCBs/Foreign Body Corporate	1877133	0.84
TOTAL	222904629	100

(xiii) Dematerialization of shares:

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e. NSDL & CDSL. As on 30th June, 2015, 98.58% equity shares of the Company were held in dematerialized form.

The Company's shares are regularly traded on the NSE and the BSE in electronic form.

Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 236A01020.

(xiv) The Company has not issued any GDRs/ADRs. There are no outstanding Warrants or Convertible instruments as on 30th June, 2015.

(xv) Plant locations:

- Plot Nos. 1, 2, 27 & 28, Sector- 5, I.I.E - Pant Nagar (SIDCUL-Rudrapur), Distt.-Udham Singh Nagar, Uttarakhand - 263 153

(xvi) Address for Correspondence:

The shareholders may address their communication/suggestions/grievances/queries to the Registrar and Share Transfer Agents at the address mentioned above, or to:

The Company Secretary

HCL Infosystems Limited

E – 4, 5, 6, Sector – 11,

NOIDA (U.P.) – 201 301.

Tel. No.: 0120-2526490,

Fax: 0120-2525196

Email: cosec@hcl.com

(xvii) Company Website:

The Company has its website namely www.hclinfosystems.com. This provides detailed information about the Company, its subsidiaries, products and services offered, locations of its corporate office and various sales offices etc. It also contains updated information on the financial performance of the Company and procedures involved in completing various investors' related transactions expeditiously. The quarterly results, annual reports and shareholding distributions etc. are updated on the website of the Company from time to time.



HCL INFOSYSTEMS

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of HCL Infosystems Limited

We have examined the compliance of conditions of Corporate Governance by HCL Infosystems Limited, for the year ended June 30, 2015, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse
Firm Registration Number - 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place : Gurgaon
Date : August 20, 2015

Secretarial Audit Report

(For the Financial Year ended on 30th June 2015)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HCL INFOSYSTEMS LIMITED

Regd. Office: 806, Siddharth 96,

Nehru Place, New Delhi-110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HCL INFOSYSTEMS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **30th June 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance -Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on **30th June 2015** according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - No Transaction was held during the financial year hence not applicable to the Company during the audit period;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - No Transaction was held during the financial year hence not applicable to the Company during the audit period;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No Transaction was held during the financial year hence not applicable to the Company during the audit period;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; The Company was not involved in the activities relating to Registrar to an issue and not acting as Share Transfer Agent hence not applicable to the Company during the audit period;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - No Transaction was held during the financial year hence not applicable to the Company during the audit period;
 - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; - No Transaction was held during the financial year hence not applicable to the Company during the audit period;

(vi) Other labour, environment and specific Acts / Laws applicable to the Company for which Secretarial Audit was conducted as an overview audit and was generally based/ relied upon on the documents provided to us and management confirmation certificate provided by the management of the Company:

- a) Factories Act, 1948
- b) Minimum Wages Act, 1948
- c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- d) Employee State Insurance Act, 1948
- e) Contract Labour (Regulations and Abolition) Act, 1970
- f) Payment of Bonus Act, 1965
- g) Workmen Compensation Act, 1923
- h) Equal Remuneration Act, 1976
- i) Industrial Employment (Standing Orders) Act, 1946
- j) Apprentices Act, 1961
- k) Industrial Dispute Act, 1947
- l) Weekly Holidays Act, 1942
- m) Child Labour (Prohibition and Regulation) Act, 1986
- n) Maternity Benefit Act, 1961
- o) Micro, Small & Medium Enterprises Development Act, 2006
- p) Legal Metrology Act, 2009
- q) Competition Act, 2002
- r) Trade Union Act, 1926
- s) Trademark Act, 1999
- t) Environment (Protection) Act, 1986 read with The Environment (Protection) Rules 1986 & Hazardous Waste (Management Handling & Transboundary Movement) Rules 2008 and other Environment Laws.
- u) Information Technology Act, 2000
- v) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013

We have not examined compliance by the Company with:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as they had not been notified by the Central Government during the audit period.
- (ii) Applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- 4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 5) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

We further report that based on the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- a) Public / Rights / Preferential Issue of Shares / Sweat Equity.
- b) Redemption / Buy-back of Securities.
- c) Merger / Amalgamation / Reconstruction etc.
- d) Foreign Technical Collaborations.

**For Navneet K Arora & Co.
Company Secretaries**

**Place : New Delhi
Date : 19th August, 2015**

**CS Navneet Arora
Prop.
FCS:3214, COP:3005**

[Note: This report is to be read with our letter of even date which is annexed as "**Annexure-A**" and forms an integral part of this report].



HCL INFOSYSTEMS

Annexure –“A”

To,
The Members,
HCL Infosystems Limited
Regd. Office: 806, Siddharth 96,
Nehru Place, New Delhi-110019

Our report of even date is to be read along with this letter as under:

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Navneet K Arora & Co.
Company Secretaries

Place : New Delhi
Date : 19th August, 2015

CS Navneet Arora
Prop.
FCS:3214, COP:3005

Annual Accounts - Parent Company

Independent Auditors' Report

To

The Members of HCL Infosystems Limited
Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of HCL Infosystems Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



HCL INFOSYSTEMS

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) On the basis of the written representations received from the directors as on June 30, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at June 30, 2015 on its financial position in its standalone financial statements – Refer Note 29.
 - ii. The Company has long-term contracts as at June 30, 2015 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at June 30, 2015.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended June 30, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership Number: 056155

Place : Gurgaon
Date : August 20, 2015

Annexure To Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of HCL Infosystems Limited on the financial statements as of and for the year ended June 30, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of value added tax and is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax and duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax as at June 30, 2015 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount (₹/Crores)	Amount deposited under protest (₹/Crores)	Period to which the amount relates	Forum where the dispute is pending
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	6.53	3.67	2002-2007	Commercial Tax Tribunal, Noida/Additional Commissioner (Appeals) of Commercial Tax Noida/Hon'ble High court Allahabad
U.P.Value Added Tax Act-2008	Sales Tax	13.49	1.68	2007-2015	Commercial Tax Tribunal, Noida/Additional Commissioner (Appeals) of Commercial Tax Noida/Hon'ble High court Allahabad

Contd....

Name of the statute	Nature of dues	Amount (₹/Crores)	Amount deposited under protest (₹/Crores)	Period to which the amount relates	Forum where the dispute is pending
Delhi Sales Tax Act, 1975	Sales Tax	0.08	0.01	2003-2005	Assessing Authority Sales Tax, Delhi/Joint Commissioner (Appeals) of Sales Tax, Delhi
Delhi Value Added Tax Act, 2004	Trade Tax	9.90	0.20	2005-2013	Tribunal of Sales Tax, Delhi/ Deputy Commissioner (Appeals) of Sales Tax, Delhi
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.13	-	2004-2009	Deputy Commissioner (Appeals) of Sales Tax, Chennai/ Commercial Tax Officer, Chennai
West Bengal Sales Tax Act, 1994	Sales Tax	8.09	0.67	2005-2012	Board of Sales Tax, Kolkata/ Tribunals of Sales Tax, Kolkata/ Additional Commissioner (Appeals) of Sales Tax, Kolkata
Rajasthan Sales Tax Act, 1994	Sales Tax	0.02	0.01	2003-2006	Deputy Commissioner (Appeals) of Sales Tax, Jaipur
Rajasthan Value Added Tax Act, 2003	Commercial Tax	32.64	2.59	2006-2012	Deputy Commissioner (Appeals) of Commercial Tax Jaipur/Tax board Commercial Tax, Jaipur
Kerala General Sales Tax Act, 1963	Sales Tax	0.75	0.20	2001-2015	Tribunals of Sales Tax, Kochi/ Deputy Commissioner (Appeals) of Sales Tax, Kochi/ Commercial Tax Officer
Uttarakhand Value Added Tax Act, 2005	Sales Tax	26.03	-	2011-2012	Deputy Commissioner Appeals, Dehradun
Jammu & Kashmir Value Added Tax Act, 2005	Sales Tax	2.71	0.04	2007-2014	Deputy Commissioner Appeals, Jammu
Punjab General Sales Tax Act, 1948	Sales Tax	1.22	0.52	2007-2013	Tribunal, Chandigarh/Deputy Commissioner Appeals, Punjab
Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	0.32	0.20	2006-2014	Commissioner Appeals, Hyderabad
Karnataka Value Added Tax, 2003	Sales Tax	1.52	0.53	2006-2012	Deputy Commissioner Appeal, Bangalore/Joint Commissioner Appeal, Bangalore
Bihar Value Added Tax Act, 2005	Sales Tax	20.03	3.20	2006-2015	Joint Commissioner Appeal (Patna)/Commissioner Commercial Tax, Patna
Jharkhand Value Added Tax Act, 2005	Sales Tax	0.50	-	2012-2013	Assessing officer (Ranchi)
M.P. Value Added Tax Act, 2002	Sales Tax	0.21	0.15	2011-2013	Joint Commissioner Appeal
Maharashtra Value Added Tax Act, 2002	Sales Tax	22.91	0.19	2011-2013	Joint Commissioner Appeal
Central Excise Act, 1944	Excise Duty	97.60	6.98	2002-2011	Commissioner (Appeals) Chennai/CESTAT, Chennai/ Allahabad High Court/CESTAT, Delhi/ Hon'ble Supreme Court/ Tribunal, Delhi/Tribunal Chennai/ Hon'ble Cestat, Chennai /Additional Commissioner, Mumbai
Income Tax Act, 1961	Income Tax	5.39	0.01	2004-2012	Assessing Officer, Delhi/ITAT, Delhi/CIT (A)

- c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership Number: 056155

Place : Gurgaon
Date : August 20, 2015

Balance Sheet as at June 30, 2015

Notes		As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores		
Equity and Liabilities:						
Shareholders' funds						
Share capital	2	44.58	1,437.14	44.58	1,508.03	
Reserves and surplus	3	1,392.56		1,463.45		
Non-current liabilities						
Long-term borrowings	4	164.35		268.05		
Other long-term liabilities	5	5.91	172.86	0.77	271.25	
Long-term provisions	6	2.60		2.43		
Current liabilities						
Short-term borrowings	7	575.98		196.43		1,342.86
Trade payables	8	535.34	769.14			
Other current liabilities	9	372.55	365.33			
Short-term provisions	10	4.00	11.96			
Total Equity and Liabilities			3,097.87		3,122.14	
Assets:						
Non-current assets						
Fixed assets			757.04		962.47	
- Tangible assets	11	80.70		89.09		
- Intangible assets	11	0.11		0.20		
- Capital work-in-progress		0.15		-		
Non-current investments	12	642.96		838.95		
Long-term loans and advances	14	33.12		34.23		
Current assets						
Current investments	13	234.84	2,340.83	174.78	2,159.67	
Inventories	15	126.80		201.28		
Trade receivables	16	402.38		429.13		
Cash and bank balances	17	67.43		207.14		
Short-term loans and advances	18	1,508.64		1,144.74		
Other current assets	19	0.74		2.60		
Total Assets			3,097.87		3,122.14	
Significant Accounting Policies		1				

This is the Balance Sheet referred to in our report of even date

The notes referred to above form an integral part of the Balance Sheet

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida
Date : August 20, 2015

For and on behalf of the Board of Directors
PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI
Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN
Company Secretary

Statement of Profit & Loss

for the year ended June 30, 2015

	Notes	Year ended 30.06.2015		Year ended 30.06.2014	
		₹/Crores		₹/Crores	
Revenue:					
Revenue from operations (gross)	20	4,311.85		5,729.54	
Less: Excise Duty		-	4,311.85	4.13	5,725.41
Other income	21		144.88		71.60
Total Revenue			4,456.73		5,797.01
Expenses:					
Cost of materials consumed	36		13.26		401.46
Purchases of stock-in-trade	33		3,953.29		4,991.95
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	22		70.79		7.32
Other direct expense	23		57.69		102.38
Employee benefits expense	24		94.48		82.12
Finance costs	25		96.74		74.95
Depreciation and amortisation expense	11		6.87		8.44
Net Loss on Foreign Exchange Fluctuation (Other than considered as Finance cost)			2.16		35.47
Other expenses	26		88.32		91.25
Total Expense			4,383.60		5,795.34
Profit/(Loss) before exceptional and extraordinary items and tax			73.13		1.67
Exceptional items	27		(139.34)		(178.75)
Loss before tax			(66.21)		(177.08)
Loss for the year from continuing operations before tax		(66.21)		(177.08)	
Current tax		22.96		5.32	
Less: MAT Credit Entitlement		(18.28)		(4.29)	
Deferred tax expense/(credit)		-		13.58	
Tax expense		4.68		14.61	
Loss for the year			(70.89)		(191.69)
Earning/(Loss) per equity share (in ₹)	43				
Basic (of ₹ 2/- each)			(3.18)		(8.60)
Diluted (of ₹ 2/- each)			(3.18)		(8.60)
Significant Accounting Policies	1				

This is the Statement of Profit & Loss referred to in our report of even date

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida
Date : August 20, 2015

The notes referred to above form an integral part of the Statement of Profit & Loss

For and on behalf of the Board of Directors

PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI

Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN

Company Secretary

Cash Flow Statement

for the year ended June 30, 2015

	Year ended 30.06.2015 ₹/Crores		Year ended 30.06.2014 ₹/Crores	
1. Cash Flow from Operating Activities:				
Profit/(Loss) before tax		(66.21)		(177.08)
Adjustments for:				
Depreciation and Amortisation Expense	6.87		8.44	
Finance Cost	96.74		74.95	
Interest Income	(122.72)		(31.35)	
Dividend Income	(9.34)		(11.22)	
Net (Profit)/Loss on Sale of Fixed Assets	(13.84)		(36.15)	
Fixed Assets Written-Off	-		0.01	
Profit on Disposal of Unquoted (Others) Current Investments	(3.31)		(17.45)	
Diminution Other than Temporary in the value of investment in HCL Infotech Limited	155.25		210.00	
Profit on Sale of Investment in Subsidiary	(6.60)		-	
Provision for Doubtful Debts	5.43		0.29	
Provision for Doubtful Loans and Advances and Other Current Assets	4.27		1.11	
Provisions/Liabilities no longer required Written Back	(1.04)	111.71	(5.33)	193.30
Operating Profit/(Loss) before working capital changes		45.50		16.22
Adjustments for changes in working capital:				
- (Increase)/Decrease in Trade Receivables	21.32		(288.47)	
- (Increase)/Decrease in Loans and Advances and Other Assets	0.75		123.33	
- (Increase)/Decrease in Inventories	74.48		24.53	
- Increase/(Decrease) in Liabilities	(208.77)	(112.22)	32.96	(107.65)
Cash generated from operations		(66.72)		(91.43)
- Taxes (Paid)/Received (Net of Tax Deducted at Source)		(0.04)		65.66
Net cash from operating activities	(A)	(66.76)		(25.77)
2. Cash flow from Investing Activities:				
Purchase of Fixed Assets (including Intangible Assets)	(5.05)		(0.99)	
Capital Work-In-Progress (including Intangible Assets under Development)	(0.15)		2.79	
Proceeds from Sale of Fixed Assets	17.59		66.87	
Proceeds from Sale of Current Investments	430.78		1,595.00	
Purchase of Current Investments	(487.53)		(833.62)	
Interest Received	110.45		28.22	
Redemption/Maturity of Bank Deposits (with original maturity of more than three months)	129.14		(129.36)	
Movement in Margin Money Account	-		0.45	
Dividend Received on Current Investments	9.34		11.22	
Inter corporate deposits given	(364.16)		(862.47)	
Sale of Investment in Subsidiary	47.34	(112.25)	0.24	(121.66)
Net cash from/(used in) investing activities	(B)	(112.25)		(121.66)

Cash Flow Statement

for the year ended June 30, 2015

	Year ended 30.06.2015		Year ended 30.06.2014	
	₹/Crores		₹/Crores	
3. Cash Flow from Financing Activities:				
Secured Loans				
Proceeds from short term borrowings	79.55		126.10	
Repayment of long term borrowings	(69.26)		(107.88)	
Unsecured Loans				
Proceeds from short term borrowings	289.32		129.57	
Proceeds from long term borrowings	-		52.96	
Repayment of long term borrowings	(34.44)		-	
Interest Paid	(96.24)		(74.38)	
Dividend Paid	(0.49)	168.44	(0.52)	125.85
Net cash from/(used in) financing activities	(C)	168.44		125.85
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	(10.57)		(21.58)
Opening Balance of Cash and Cash Equivalents		74.64		221.66
Less: Amount transfer on Account of Scheme (Refer Note 51)		-		125.44
Closing Balance of Cash and Cash Equivalents		64.07		74.64
Cash and cash equivalents comprise of		64.07		74.64
Cash, Cheques and Drafts (on hand)		2.55		4.08
Balances with Banks on Current Accounts and Dividend Accounts		31.54		70.56
Balances with Banks on Deposits Accounts		29.98		-

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, notified u/s 211(3C) of Companies (Accounting Standard) Rules 2006, as amended and other relevant provisions of the Companies Act, 2013.
- 2 Cash and cash equivalents include balances with banks in unclaimed dividend accounts amounting to ₹ 2.16 Crores (2014- ₹ 2.66 Crores) which are not available for use by the Company.
- 3 Transfer of Businesses to its Subsidiaries pursuant to scheme of arrangement (Refer Note 51) is a non cash transaction and therefore has been excluded from above cash flow statement.
- 4 Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida

Date : August 20, 2015

For and on behalf of the Board of Directors
PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI

Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN

Company Secretary

Notes to the Financial Statements**1. SIGNIFICANT ACCOUNTING POLICIES****a. BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

b. FIXED ASSETS

Tangible Fixed Assets including in-house capitalisation and Capital work-in-progress are stated at cost except those which are revalued from time to time on the basis of current replacement cost/value to the Company, net of accumulated depreciation.

Assets taken on finance lease on or after April 1, 2001 are stated at fair value of the assets or present value of minimum lease payments whichever is lower.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

c. DEPRECIATION AND AMORTISATION

From the current year, Schedule XIV of the Companies Act, 1956, has been replaced by Schedule II of the Companies Act, 2013. Due to such change, impact of which is not material, depreciation is being provided as given below.

(a) Depreciation on fixed assets of the Company is provided on a pro-rata basis on straight-line method using the useful lives of assets prescribed in Schedule II of the Companies Act, 2013.

(b) Intangible Assets are amortised at straight line basis as follows:

Software	1-5 years
----------	-----------

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(c) Leasehold Land is amortised over a period of lease. Leasehold improvements are amortised on straight line basis over the period of three years or lease period whichever is lower.

(d) Individual assets costing ₹ 5,000 or less are depreciated/amortised fully in the year of acquisition.

d. INVESTMENTS

Long-term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to Statement of Profit and Loss.

Current investments are carried at lower of cost or fair value where fair value for mutual funds is based on net asset value and for bonds is based on market quote.

e. INVENTORIES

Raw Materials and Components held for use in the production of Finished Goods and Work-In-Progress are valued at cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost is determined on the basis of weighted average.

Notes to the Financial Statements

Finished Goods, Stock-In-Trade and Work-In-Progress are valued at lower of cost and net realisable value.

Cost of Finished Goods and Work-In-Progress includes cost of raw materials and components, direct labour and proportionate overhead expenses. Cost is determined on the basis of weighted average.

Stores and Spares are valued at lower of cost and net realisable value/future economic benefits expected to arise when consumed during rendering of services. Adequate adjustments are made to the carrying value for obsolescence. Cost is determined on the basis of weighted average.

Goods In-Transit are valued inclusive of custom duty, where applicable.

f. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all monetary items denominated in foreign currency, are reported at the exchange rates prevailing at the balance sheet date and the resultant gain or loss is recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) With respect to exchange differences arising on translation of long term foreign currency monetary items having a term of 12 months or more, from July 1, 2011 onwards, the Company has adopted the following policy:
 - (i) Exchange differences relating to long term foreign currency monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to or deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (ii) In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised over the balance period of the long term assets/liabilities but not beyond March 31, 2020.
- d) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate change.
- e) Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.
- f) Any profit or loss arising on cancellation or renewal of a forward exchange contract are recognised as income or as expense for the period.
- g) The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself.

g. EMPLOYEE BENEFITS

Defined Benefits:

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Provident Fund

Provident Fund contributions are made to a multi-employer Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Notes to the Financial Statements

Other Benefits:**Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Defined Contribution:

Contributions to the employees' state insurance fund, administered by the prescribed government authorities, are made in accordance with the Employees' State Insurance Act, 1948 and are recognised as an expense on an accrual basis.

Company's contribution towards Superannuation Fund is accounted for on accrual basis.

The Company makes defined contributions to a Superannuation Trust established for the purpose. The Company has no further obligation beyond the monthly contributions.

h. REVENUE RECOGNITION

- (a) Sales, after adjusting trade discount, are inclusive of excise duty and the related revenue is recognised on transfer of all significant risks and rewards of ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration.
- (b) Composite contracts, outcome of which can be reliably estimated, where no significant uncertainty exists regarding realisation of the consideration, revenue is recognised in accordance with the percentage completion method, under which revenue is recognised on the basis of cost incurred as a proportion of total cost expected to be incurred. The foreseeable losses on the completion of contract, if any, are provided for immediately.
- (c) Service income includes income from IT infrastructure managed services, break-fix services, cloud services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services. Revenues relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed priced contracts is recognised on percentage of completion basis. Revenue from a period based service contracts is recognised on a pro rata basis over the period in which such services are rendered.

i. GOVERNMENT GRANTS

Revenue grants, where reasonable certainty exists that the ultimate collection will be made are recognised on a systematic basis in Statement of Profit and Loss over the periods necessary to match them with the related cost which they are intended to compensate.

j. ROYALTY

Royalty expense, net of performance based discounts, is recognised when the related revenue is recognised.

k. LEASES

- a) Assets taken under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.
- b) Assets taken on leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on straight-line basis over the lease term.
- c) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

Notes

to the Financial Statements

I. CURRENT AND DEFERRED TAX

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

m. PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the amount of the obligation cannot be made.

n. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimate of cost expected to be incurred to complete performance under composite arrangements, income taxes, provision for warranty, employment benefit plans, provision for doubtful debts and estimated useful life of the fixed assets. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

o. EMPLOYEE STOCK OPTION SCHEME

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognised as deferred stock compensation expense and is amortised over the vesting period on the basis of generally accepted accounting principles in accordance with the guidelines of Securities and Exchange Board of India.

p. BORROWING COSTS

Borrowing costs to the extent related/attributable to the acquisition/construction of assets that necessarily take substantial period of time to get ready for their intended use are capitalised along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.

q. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies consistently used in the preparation of financial statements. The basis of reporting is as follows:

- a) Revenue and expenses distinctly identifiable to a segment are recognised in that segment. Identified expenses include direct material, labour, overheads and depreciation on fixed assets. Expenses that are identifiable with/ allocable to segments have been considered for determining segment results.

Notes

to the Financial Statements

Allocated expenses include support function costs which are allocated to the segments in proportion of the services rendered by them to each of the business segments. Depreciation on fixed assets is allocated to the segments on the basis of their proportionate usage.

- b) Unallocated expenses/income are enterprise expenses/income, which are not attributable or allocable to any of the business segment.
- c) Assets and liabilities which arise as a result of operating activities of the segment are recognised in that segment. Fixed assets which are exclusively used by the segment or allocated on a reasonable basis are also included.
- d) Unallocated assets and liabilities are those which are not attributable or allocable to any of the segments and includes liquid assets like investments, bank deposits and investments in assets given on finance lease.
- e) Segment revenue resulting from transactions with other business segments is accounted on the basis of transaction price which is at par with the prevailing market price.

r. IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, the Company estimates the recoverable amount and if the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

s. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Notes to the financial Statements

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
2- Share capital				
<u>Authorised</u>				
55,25,00,000 Equity Shares (2014 - 55,25,00,000) of ₹ 2/- each		110.50		110.50
5,00,000 Preference Shares (2014 - 5,00,000) of ₹ 100/- each		5.00		5.00
TOTAL		115.50		115.50
<u>Issued, Subscribed and Paid up</u>				
22,29,04,629 Equity Shares (2014 - 22,28,79,629) of ₹ 2/- each		44.58		44.58
(Fully Paid up) (Number of Shares issued: 2015 - 25,000)(2014-Nil)				
TOTAL		44.58		44.58

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity Shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(ii) Shares reserved for issue under options:

For detail of shares reserved for issue under Employee Stock Option Plan of the Company, refer Note 41.

(iii) Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 30.06.2015		As at 30.06.2014	
	Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Corporation Private Limited	111,382,239	49.97	111,382,239	49.97
(b) AKM Systems Private Limited	11,997,007	5.38	11,997,007	5.38

3- Movement in Reserves and surplus

(₹/Crores)

Particulars	Business restructuring reserve	Capital Reserve	Securities Premium Account	General Reserve	Surplus in the Statement of Profit and Loss	Total Reserves and Surplus
As at July 1, 2013	-	-	896.00	215.83	679.42	1,791.25
- Loss for the year	-	-	-	-	(191.69)	(191.69)
- Adjustment on Account of Scheme (Refer note 51)	-	-	-	-	(10.01)	(10.01)
- On merger of HCL Infocom limited (Refer note 51)	-	959.48	-	-	(0.01)	959.47
- On transfer of Business (Refer note 51)	(1,135.36)	-	-	-	49.79	(1,085.57)
- Adjustment of Business restructuring reserve with Capital reserve and Securities Premium (Refer note 51)	1,135.36	(959.48)	(175.88)	-	-	-
As at June 30, 2014	-	-	720.12	215.83	527.50	1,463.45
As at July 1, 2014	-	-	720.12	215.83	527.50	1,463.45
- Loss for the year	-	-	-	-	(70.89)	(70.89)
As at June 30, 2015	-	-	720.12	215.83	456.61	1,392.56

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
4- Long-term borrowings				
Secured:				
Term Loans				
- From Banks		79.99		149.25
		79.99		149.25
Unsecured:				
Term Loans				
- From Others		84.36		118.80
		84.36		118.80
TOTAL		164.35		268.05

Notes to the financial Statements

Notes:

1. (i) Secured Term Loan from Banks amounting to ₹ NIL (2014 - ₹ 26.67 Crores), out of which ₹ NIL (2014 - ₹ 26.67 Crores) is shown under current maturity of long term debt, secured by way of first charge on movable and immovable fixed assets of the Company. The loan is repayable in 6 half yearly installments from the date of the loan which carries interest @ 11.25 % per annum.
- (ii) Secured Term Loan from Banks amounting to ₹ 143.48 Crores (2014 - ₹ 300.00 Crores), out of which ₹ 143.48 Crores (2014 - ₹ 156.56 Crores) is shown under current maturity of long term debt, is secured by way of subservient charge on current assets of the Company. It also carries a lien on Mutual Funds of ₹ 99.86 Crores . The loan is repayable in 23 monthly equal instalments starting from July 2014 and carries interest @ 11.25 % per annum.
- (iii) Secured Long Term Loan from Banks amounting to ₹ 5.73 Crores (2014 - ₹ 29.15 Crores), out of which ₹ 5.73 Crores (2014 - ₹ 23.34 Crores) is shown under current maturity of long term debt, and Secured Short Term Loan amounting to ₹ 75.00 Crores (2014 - ₹ Nil), is secured by way of subservient charge on current assets of the Company. It also carries a lien on Mutual Funds of ₹ 49.98 Crores . The long term loan is repayable in 8 quarterly equal instalments starting from the date of disbursement and carries interest @ 11.67 % per annum and Short Term Loan of ₹ 75.00 Crores is repayable one year from the date of disbursement and carries interest @ 11.50 % per annum.
- (iv) Secured Term Loan from Banks amounting to ₹ 99.91 Crores (2014 - ₹ NIL), out of which ₹ 19.92 Crores (2014 - ₹ NIL) is shown under current maturity of long term debt, is secured by way of Hypothecation over the receivable from a particular project. The loan is repayable in 1 half yearly and 14 quarterly equal instalments starting from the date of disbursement and carries interest @ 11.25 % per annum.
2. (i) Unsecured Term loans from Others amounting to ₹ 2.36 Crores (2014 - ₹ 11.36 Crores), out of which ₹ 2.36 Crores (2014 - ₹ 9.00 Crores) is shown under current maturity of long term debt, are repayable in 19 equal quarterly installments from the date of the loans which are interest free.
- (ii) Unsecured Term loans from Others amounting to ₹ 142.05 Crores (2014 - ₹ 164.85 Crores), out of which ₹ 73.32 Crores (2014 - ₹ 55.12 Crores) is shown under current maturity of long term debt, is repayable in 11 to 12 equal quarterly instalments from the date of the disbursement which carries interest @ 11.80% to 12.25% per annum.
- (iii) Unsecured Term loans from Others amounting to ₹ 41.70 Crores (2014 - ₹ 17.58 Crores), out of which ₹ 26.07 Crores (2014 - ₹ 10.87 Crores) is shown under current maturity of long term debt, is repayable in 2 quarterly, 2 half yearly and balance 16 quarterly instalments from the date of the disbursement which carries interest @ 13% per annum.
3. Long term borrowings, Short term borrowings and Current maturities of long term debts is net of the loan amounting to ₹ 46.46 Crores (2014 - ₹ 112.89 Crores), ₹ 26.13 Crores (2014 - ₹ 28.65 Crores) and ₹ 68.94 Crores (2014 - ₹ 145.81 Crores) respectively that the Company has transferred to its subsidiaries pursuant to the scheme of arrangement (Refer Note 51).The Company is in the process of transferring the loan agreements to the respective subsidiary companies.

	As at 30.06.2015 ₹/Crores	As at 30.06.2014 ₹/Crores
5- Other long-term liabilities		
Trade Payables (Refer Note 31)		
[Including Acceptance ₹ Nil (2014 - ₹ Nil)]	0.59	-
Deposits	5.32	0.77
TOTAL	5.91	0.77
6- Long term provisions		
Provision for Gratuity (Refer Note 45)	2.60	2.43
TOTAL	2.60	2.43
7- Short-term borrowings		
Secured:		
Loans from Banks		
- Term Loans	255.77	55.87
- Cash Credits	9.92	54.16
- Buyers Credit	10.29	86.40
	275.98	196.43

Notes to the financial Statements

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
Unsecured:				
Commercial Paper		300.00		-
		300.00		-
TOTAL		575.98		196.43

Note:

1. (i) Secured Loan from Banks amounting to ₹ 139.90 Crores (2014 - ₹ Nil) is secured by way of (1) hypothecation of stock-in-trade, book debts as first charge of the Company and its demerged subsidiaries, pursuant to the scheme of arrangement and (2) by way of second charge on all the immovable and movable assets of the Company, along with non-fund based facilities from Banks. The charge ranks pari-passu amongst Bankers and carries interest @ 11.30 % per annum on loan amounting to ₹ 99.90 Crores and 10.40% per annum on loan amounting to ₹ 40.00 Crores.
- (ii) Secured Loan from Banks amounting to ₹ 75.00 Crores (2014 - ₹ Nil), is secured by way of subservient charge on current assets of the Company. It also carries a lien on Mutual Funds. Also refer Note 4 (iii).
- (iii) Secured Loan from Banks amounting to ₹ 61.08 Crores (2014 - ₹ 196.43) are secured by way of first charge over stock-in-trade and book debts of the company and its demerged subsidiaries and by way of second charge over movable and immovable fixed assets of the Company, pursuant to court approved scheme of arrangement. The charge ranks pari-passu amongst Bankers.

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
8- Trade payables				
Trade Payables (Refer Note 31)		535.34		769.14
[Including Acceptance ₹ 140.07 Crores (2014 - ₹ 149.19 Crores)]				
TOTAL		535.34		769.14
9- Other current liabilities				
Current Maturities of Long-Term Debts (Refer Note 4)		270.88		281.56
Interest Accrued but not due on Borrowings		3.00		2.50
Unpaid Dividends*		2.16		2.66
Deferred Revenue		28.10		19.97
Advances Received from Customers		27.18		18.43
Statutory Dues Payable		24.04		25.42
Employee Benefits Payable		16.82		13.73
Capital Creditors		0.37		1.06
TOTAL		372.55		365.33

* There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. These shall be credited and paid to the Fund as and when due.

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
10- Short-term provisions				
Provision for Gratuity and Leave Encashment (Refer Note 45)#		2.69		2.87
Provision for Warranty (Refer Note 30)		0.27		-
Provision for Income Tax		1.04		9.09
[Net of Advance Income Tax of ₹ 535.21 Crores (2014 - ₹ 513.20 Crores)]				
TOTAL		4.00		11.96

includes ₹ 1.25 Crores (2014- ₹ 1.42 Crores) for provision for leave encashment.

Notes to the financial Statements

11- Fixed assets

₹/Crores

Particulars	Gross Block					Depreciation / Amortisation					Net Block	
	As at 01.07.2014	Additions	Transfer to Subsidiaries (Refer Note 51)	Disposal/ Adjustment	As at 30.06.2015	As at 01.07.2014	Additions	Transfer to Subsidiaries (Refer Note 51)	Disposal/ Adjustment	As at 30.06.2015	As at 30.06.2015	As at 30.06.2014
Tangible Assets:												
Leasehold Land	19.10	-	-	-	19.10	1.60	0.22	-	-	1.82	17.28	17.50
Leasehold improvements	1.37	-	-	-	1.37	0.91	0.46	-	-	1.37	-	0.46
Freehold Land	7.65	-	-	-	7.65	-	-	-	-	-	7.65	7.65
Buildings	77.58	-	-	4.51	73.07	23.79	1.33	-	0.98	24.14	48.93	53.79
Plant and Machinery	16.50	0.02	-	-	16.52	13.68	1.68	-	-	15.36	1.16	2.82
Furniture and Fixtures	16.46	0.10	-	0.99	15.57	14.91	1.37	-	2.03	14.25	1.32	1.55
Office Equipments	7.84	0.37	-	1.88	6.33	5.14	0.28	-	0.64	4.78	1.55	2.70
Vehicles	2.14	0.97	-	-	3.11	1.26	0.30	-	-	1.56	1.55	0.88
Computers	12.33	0.68	-	0.59	12.42	10.59	1.14	-	0.57	11.16	1.26	1.74
Sub-Total (a)	160.97	2.14	-	7.97	155.14	71.88	6.78	-	4.22	74.44	80.70	89.09
Previous Year	349.39	2.27	152.95	37.74	160.97	154.66	8.35	84.12	7.01	71.88	89.09	
Intangible Assets:												
Software	2.65	-	-	-	2.65	2.45	0.09	-	-	2.54	0.11	0.20
Sub-Total (b)	2.65	-	-	-	2.65	2.45	0.09	-	-	2.54	0.11	0.20
Previous Year	108.06	-	105.41	-	2.65	42.51	0.09	40.15	-	2.45	0.20	
Total (a+b)											80.81	89.29

Notes:

- Land and Building at Ambattur amounting to ₹ 0.57 Crores (2014 - ₹ 0.57 Crores) are pending registration in the name of the Company.
- Certain land and buildings are included above on revalued amount of ₹ 8.01 Crores (2014 - ₹ 8.01 Crore). Revaluation was done by external registered valuers after considering the depreciation upto that date on the governing principle of current replacement Cost/Value.

12- Non-current investments

	As at 30.06.2015			As at 30.06.2014		
	Face Value	Units	Amount ₹/Crores	Face Value	Units	Amount ₹/Crores
Unquoted (Trade): Long Term (At Cost)						
Investments in Equity Instruments of Subsidiaries						
Digilife Distribution and Marketing Services Limited	₹ 10	48,050,000	48.05	₹ 10	48,050,000	48.05
RMA Software Park Private Limited	-	-	-	₹ 10	10,000	40.74
Pimpri Chinchwad eServices Limited	₹ 10	42,500	0.04	₹ 10	42,500	0.04
HCL Computing Products Ltd	₹ 10	100,000	0.10	₹ 10	100,000	0.10
HCL Infotech Limited	₹ 10	50,000	418.46	₹ 10	50,000	418.46
HCL Learning Limited	₹ 10	50,000	106.46	₹ 10	50,000	106.46
HCL Services Limited	₹ 10	50,000	434.85	₹ 10	50,000	434.85
Less: Diminution Other than Temporary in the value of investment in HCL Infotech Limited			365.00			210.00
Investments in Equity Instruments of Joint Venture						
Nokia HCL Mobile Internet Services Limited	₹ 5000	490	0.25	₹ 5000	490	0.25
Less: Provision for Diminution in Value of investments			0.25			-
Total Non-Current Investments (Unquoted)			642.96			838.95

13- Current investments

	As at 30.06.2015			As at 30.06.2014		
	Face Value	Units	Amount ₹/Crores	Face Value	Units	Amount ₹/Crores
(i) Unquoted (Others): Current (at lower of cost or fair value)						
Mutual Funds, Growth Options						
Birla Sunlife Savings Fund	₹ 100	549,224	15.00	-	-	-
HDFC Floating Rate Income Fund - STP-WP	₹ 10	6,171,009	15.00	-	-	-
Kotak Floater Long Term	₹ 10	2,213,065	5.00	-	-	-
ICICI Prudential Flexible Income Plan	₹ 100	749,081	20.00	-	-	-
Reliance Money Manager Fund	₹ 1000	103,183	20.00	-	-	-
UTI Treasury Advantage Plan	₹ 1000	25,954	5.00	-	-	-
SBI-SHF Ultra Short Term Fund	₹ 1000	27,410	5.00	-	-	-
Sub - Total (a)			85.00			-

Contd...

Notes to the financial Statements

Contd...

	As at 30.06.2015			As at 30.06.2014		
	Face Value	Units	Amount ₹/Crores	Face Value	Units	Amount ₹/Crores
Mutual Funds, Dividend Options						
Birla Sunlife Savings Fund #	₹ 100	7,485,239	74.87	₹ 100	7,485,239	74.83
Kotak Floater Long Term #	₹ 10	24,800,849	25.00	₹ 10	24,800,849	25.00
Reliance Money Manager Fund #	₹ 1000	498,809	49.97	₹ 1000	498,809	50.00
ICICI Prudential Flexible Income Plan	-	-	-	₹ 10	2,366,678	24.95
Sub - Total (b)			149.84			174.78
Total Current Investments (a) + (b)			234.84			174.78
# Under lien with bank (Refer Note 4)						
Note : Net asset value of Current Investments in Mutual Funds as on June 30, 2015 is ₹ 235.66 Crores (2014 - ₹ 175.13 Crores).						
Current Investments is net of provision for diminution in the value of investment ₹ Nil (2014- ₹ 0.08 Crores)						
Aggregate amount of Unquoted Investments			877.80			1,013.73

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
14- Long-term loans and advances				
Unsecured, considered good:				
Capital Advances		2.22		-
Deposits		30.61		23.27
Loans and Advances to Subsidiaries		-		10.53
Prepaid Expenses		0.29		0.43
TOTAL		33.12		34.23
15- Inventories				
Raw Materials and Components [Including In-Transit ₹ Nil (2014 - ₹ 0.68 Crores)]		-		4.32
Work-In-Progress		-		0.02
Finished Goods [Including In-Transit ₹ 0.18 Crores (2014 - ₹ 0.22 Crores)]		1.99		6.64
Stock-In-Trade [Including In-Transit ₹ 13.54 Crores (2014 - ₹ 9.79 Crores)]		123.95		190.07
Stores and Spares		0.86		0.23
TOTAL		126.80		201.28
16- Trade receivables				
Unsecured:				
Debts outstanding for a period exceeding six months from the date they are due for payment				
- Considered Good	129.21		28.92	
- Considered Doubtful	7.40		2.46	
	136.61		31.38	
Other Debts				
- Considered Good	273.17		400.21	
	409.78		431.59	
Less: Provision for Doubtful Debts	7.40	402.38	2.46	429.13
TOTAL		402.38		429.13

Notes

to the financial Statements

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
17- Cash and bank balances				
Cash and Cash Equivalents				
Balances with Banks				
- On Current Account	29.36		67.91	
Less: Money held in Trust	0.01	29.35	0.01	67.90
- On Dividend Account		2.19		2.66
Cash on Hand		0.02		0.03
Cheques on Hand		2.53		4.05
Bank Deposits with original maturity of three months or less	30.30		0.32	
Less: Money held in Trust	0.32	29.98	0.32	-
Other Bank Balances				
Bank Deposits with original maturity of more than three months and upto twelve months	-		129.14	
Bank Deposits with original maturity of more than twelve months	0.22	0.22	0.22	129.36
On Margin Account		3.14		3.14
TOTAL		67.43		207.14
18- Short-term loans and advances				
Unsecured				
Considered Good				
- Loans and Advances to Subsidiaries		1,409.90		1,041.81
- Balances with Customs, Port Trust, Excise and Sales Tax Authorities		26.78		31.44
- Advances to Creditors		22.71		47.52
Deposits with Tax Authorities		0.15		0.15
Other Deposits		3.87		2.71
MAT Credit Entitlement		32.61		14.33
Prepaid Expenses		9.42		3.94
Others (Includes Employee advances, Insurance claim recoverable and Expenses recoverable)		3.20		2.84
Considered Doubtful				
Deposits and Other Advances	4.59		1.91	
Less: Provision for Doubtful Loans and Advances	4.59	-	1.91	-
TOTAL		1,508.64		1,144.74
19- Other current assets				
Unamortised Premium on Forward Contracts		0.74		2.60
TOTAL		0.74		2.60
	Year Ended 30.06.2015 ₹/Crores		Year Ended 30.06.2014 ₹/Crores	
20- Revenue from operations				
Sale of Products (Refer Note 34)		4,276.34		5,701.54
Sale of Services		35.51		28.00
TOTAL		4,311.85		5,729.54

Notes

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	Year Ended 30.06.2015 ₹/Crores	Year Ended 30.06.2014 ₹/Crores
21- Other income		
Interest Income		
- On Fixed Deposits (Gross)	3.65	2.51
- On Bonds from Quoted (Others) Current Investments	-	2.51
- On Others [Includes Interest on Inter Company Deposits amounting to ₹ 119.02 Crores (2014 - ₹ 22.41 Crores)]	119.07	26.33
Dividend from Unquoted (Others) Current Investments	9.34	11.22
Profit on Disposal of Unquoted (Others) Current Investments	3.31	17.45
Net Profit/(Loss) on Sale of Fixed Assets	-	0.28
Provisions/Liabilities no longer required written back	1.04	5.33
Miscellaneous Income	8.47	5.97
TOTAL	144.88	71.60
22- Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock		
- Finished Goods (Including in Transit)	1.99	6.64
[Including excise duty of ₹ Nil (2014 - ₹ 0.19 Crores)]		
- Stock-In-Trade	123.95	190.07
- Work-In-Progress	-	0.02
	125.94	196.73
Opening Stock		
- Finished Goods (Including in Transit)	6.64	37.68
[Including excise duty of ₹ 0.19 Crores (2014 - ₹ 0.73 Crores)]		
- Stock-In-Trade	190.07	256.23
- Work-In-Progress	0.02	1.96
	196.73	295.87
Transferred to Subsidiaries (Refer Note 51)	-	(91.82)
(Increase)/Decrease in Inventories of finished goods, work-in-progress and stock-in-trade	70.79	7.32
23- Other direct expense		
Purchase of Services	34.06	30.63
Spares and Stores Consumed	21.04	22.79
Power and Fuel	0.34	0.39
Labour and Processing Charges	2.01	3.29
Royalty	0.24	45.28
TOTAL	57.69	102.38
24- Employee benefits expense (Refer Note 45)		
Salaries, Wages, Bonus and Gratuity	90.89	78.17
Contribution to Provident and Other Funds	2.98	3.12
Staff Welfare Expenses	0.61	0.83
TOTAL	94.48	82.12
25- Finance costs		
Interest on Long-term and Short-term Borrowings	91.85	64.76
Other Borrowing Costs	4.89	10.19
TOTAL	96.74	74.95

Notes

to the financial Statements

	Year Ended 30.06.2015		Year Ended 30.06.2014	
	₹/Crores		₹/Crores	
26 - Other expenses				
Rent (Refer Note 42(a)(ii))		7.38		12.19
Rates and Taxes		3.64		11.80
Printing and Stationery		0.61		0.65
Communication		1.71		2.01
Travelling and Conveyance		9.98		9.53
Packing, Freight and Forwarding		13.93		14.93
Legal, Professional and Consultancy Charges (Refer Note 40)		14.71		12.11
Retainership Expenses		3.58		2.41
Training and Conference		1.29		1.46
Office Electricity and Water		0.09		4.08
Insurance		4.31		5.25
Advertisement, Publicity and Entertainment		2.21		11.58
Hire Charges		0.36		0.59
Commission on Sales		0.21		0.35
Bank Charges		4.21		6.69
Provision for Doubtful Debts		5.43		0.29
Provision for Doubtful Loans and Advances and Other Current Assets		4.27		1.11
Loss on Sale of Fixed Assets		0.07		-
Fixed Assets Written-Off		-		0.01
Diminution in the Value of Unquoted/Quoted (Others)		-		1.98
Current Investments				
Repairs				
- Plant and Machinery		0.04		0.47
- Buildings		0.03		0.86
- Others		1.08		3.62
Miscellaneous		19.47		9.51
		98.61		113.48
Less: Operating cost recovered from Subsidiaries		10.29		22.23
TOTAL		88.32		91.25

27. Exceptional items include :

Particulars	2015 ₹/Crores	2014 ₹/Crores
a. Profit on sale of properties	13.91	35.87
b. Inventory write off due to phasing out of a product line.	(4.60)	(4.62)
c. Provision for diminution in the value of investment in HCL Infotech Limited and Nokia HCL Mobile Internet Services Limited (Refer Note 12)	(155.25)	(210.00)
d. Profit on Sale of Investment in RMA Software Park Private Limited	6.60	-
TOTAL	(139.34)	(178.75)

Notes to the financial Statements

28. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for amount to ₹ 6.85 Crores (2014 - ₹ Nil). For Commitments on account of lease Refer Note 42.

29. a) Contingent Liabilities

Claims against the Company not acknowledged as debts:

	2015 ₹/Crores	2014 ₹/Crores
Sales Tax*	142.35	41.53
Excise*	96.72	14.05
Income Tax*	5.39	2.95
Industrial Disputes, Civil Suits and Consumer Disputes	2.70	12.10

*Includes sum of ₹ 20.83 Crores (2014 - ₹ 12.49 Crores) deposited by the Company against the above.

The amounts shown in item (a) represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the out come of the different legal processes which have been initiated by the Company or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

29. b) Corporate Guarantees :

- Corporate Guarantee of ₹ 624.52 Crores (2014 - ₹ 534.37 Crores) was given to Banks and Financial Institutions for working capital facilities sanctioned to subsidiaries of which the total amount utilised as at June 30, 2015 is ₹ 164.80 Crores (2014 - ₹ 218.85 Crores).
- Corporate Guarantee of ₹ 20.80 Crores (2014 - ₹ 58.80 Crores) was given by the Company, on behalf of its subsidiaries, to third parties for assigning credit limit to the subsidiaries.

29. c) Other Litigations :

- During the year, the Company has been named in a supplementary charge sheet filed with the Court with respect to a Contract awarded to the Company in 2009 by the UP State Government, amounting to ₹ 4.94 Crores, for the supply of computer hardware and related services under the National Rural Health Mission and summons have been issued by the Court. The Matter is currently pending adjudication before the Supreme Court through Special Leave Petition filed by the Company. The Management is of the view that the Company has not been engaged in any wrong doing.
- The Company has certain sales tax and other related litigation amounting to ₹ 5.62 crores (2014 - ₹ 5.93 crores) against which provision have been made. Provision amounting to ₹ 0.31 Crores was utilised during the year.

30. The Company has the following provision for warranty in the books of accounts:

	2015 ₹/Crores	2014 ₹/Crores
Opening Balance as on July 1	-	10.20
Additions during the year	0.66	-
Utilised/Reversed during the year	0.39	-
Transferred to subsidiaries during the year (Refer Note 51)	-	10.20
Closing Balance as on June 30	0.27	-

The warranty provision has been recognised for expected warranty claims for the first year of warranty on products sold during the year. Due to the very nature of such costs, Outflows of economic benefits against this provision is expected to happen within one year.

Notes to the financial Statements

31. Disclosure of Micro, Small and Medium Enterprises based on information available with the Company:

	2015 ₹/Crores	2014 ₹/Crores
a. (i) Principal amount remaining unpaid to any supplier as at the end of the year.	0.01	2.85
(ii) Interest due on the above amount.	0.01	0.06
b. (i) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act).	-	-
(ii) Amount of principal payments made to the suppliers beyond the appointed day during the year.	1.14	2.94
c. Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act.	-	-
d. Amount of interest accrued and remaining unpaid at the end of the year.	0.06	0.13
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

32. As per provisions of Section 135 of the Companies Act, 2013, the Company has to provide at least 2% of average net profits of the preceeding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR Committee has been formed for carrying out CSR activities as per Schedule VII of the Companies Act, 2013. The Company was not required to spend/contribute to CSR Activity during the year as per Section 135 of the Companies Act, 2013 as average net profit for the last three financial year is negative.

33. Information in respect of purchase of traded goods:

	Value ₹/Crores
Computers/Servers	247.88 (296.37)
Photocopiers/Electronic Equipments	52.76 (72.16)
Printers/Scanners/UPS/CVT	41.74 (46.58)
Cellular Phones	3,462.59 (4,453.51)
Others*	148.32 (126.41)
TOTAL	3,953.29 (4,991.95)

* Does not include any class of goods which in value individually accounts for 10% or more of the total value of purchase of traded goods.

Note: Previous year's figures are given in brackets.

Notes to the financial Statements

34. Stocks and Sales:

Class of Products	Sales/Adjustments Value ₹/Crores	Opening Stock Value ₹/Crores	Closing Stock Value ₹/Crores
Computers/Micro processor based systems	277.21 (622.15)	22.23 (88.79)	14.80 (22.23)
Photocopiers/Electronic Equipments	72.11 (70.99)	20.77 (29.68)	12.42 (20.77)
Printers/Scanners/UPS/CVT	47.80 (34.24)	1.86 (5.55)	4.68 (1.86)
Cellular Phones	3,799.84 (4,308.03)	128.23 (101.69)	75.65 (128.23)
Others*	79.38 (666.13)	23.64 (68.2)	18.39 (23.62)
TOTAL	4,276.34 (5701.54)	196.73 (293.91)	125.94 (196.71)

* Does not include any class of goods which in value individually accounts for 10% or more of the total value of sales/ stock.

Note: Previous year's figures are given in brackets.

35. Value of imported and indigenous raw materials and components consumed during the year (excluding value of consumption of stores and spares which is not readily ascertainable) classified on the basis of ratio between purchase of imported and indigenous raw materials and components during the year:

	2015		2014	
	₹/Crores	% of Consumption	₹/Crores	% of Consumption
Imported	4.34	33%	222.02	55%
Indigenous	8.92	67%	179.44	45%
TOTAL	13.26	100%	401.46	100%

36. Details of raw materials and components consumed (in value):

	2015 ₹/Crores	2014 ₹/Crores
Mother Boards and Assemblies	1.64	69.99
Hard Disk Drives	2.37	48.07
Processors	2.07	95.77
Monitors	0.44	62.03
CRT Key Tops PCBs and Cabinets	1.43	21.38
Others*	5.31	104.22
TOTAL	13.26	401.46

* Does not include any class of goods which in value individually accounts for 10% or more of the total value of raw materials consumed.

37. Value of Imports calculated on CIF basis:

	2015 ₹/Crores	2014 ₹/Crores
a) Raw materials and components	1.47	161.22
b) Stores and spares	1.06	3.30
c) Traded items	83.25	142.99
TOTAL	85.78	307.51

Notes to the financial Statements

38. Expenditure in Foreign Currency:

(On accrual basis)

	2015 ₹/Crores	2014 ₹/Crores
a) Travel	0.10	0.63
b) Royalty*	-	45.28
c) Interest on Acceptances	0.09	4.31
d) Others (includes consultancy, certification charges, license)	0.14	0.26
TOTAL	0.33	50.48

* Gross of tax deducted at source.

39. Earnings in Foreign Currency:

	2015 ₹/Crores	2014 ₹/Crores
a) FOB value of exports (including deemed exports)	2.76	4.19
b) Others (including reimbursement of expenses)	0.27	0.29
TOTAL	3.03	4.48

40. Remuneration to Auditor*:

	2015 ₹/Crores	2014 ₹/Crores
a) Statutory Audit	1.26	1.19
b) Other Audit Services/Certifications	0.17	0.46
c) Out-of-Pocket Expenses	0.04	0.14
TOTAL	1.47	1.79

* Excluding service tax.

41. Employee Stock Option Plan (ESOP):

The Company has established Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005, for a total grant of 31,90,200 and 33,35,487 options have been set aside respectively for the employees of the Company and its subsidiaries. These options vest on a graded basis over a period of 42 and 60 months respectively from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting.

The Board of Directors/Committee approves the grant of options, including the grant of options that lapse out of each grant.

Each option of ₹ 10/- confers on the employee a right to five equity shares of ₹ 2/- each.

Exercise price is market price as specified in the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI").

Notes

to the financial Statements

Details of Grants made under Employee Stock Option Scheme 2000

Date of Grant	Exercise price of the option for five equity shares of ₹ 2/- each	Options outstanding at the beginning of the year	Options granted during the year	Options forfeited during the year	Options exercised during the year	Options expired during the year	Options outstanding at the end of the year	Options exercisable at the end of the year
18-Jan-05	809.85	-	-	-	-	-	-	-
		64,204	-	-	-	64,204	-	-
15-Mar-05	834.40	-	-	-	-	-	-	-
		9,148	-	-	-	9,148	-	-
15-Apr-05	789.85	0	-	-	-	0	-	-
		(880)	(-)	(-)	(-)	(880)	(-)	(-)
14-May-05	770.15	-	-	-	-	-	-	-
		(1,180)	(-)	(-)	(-)	(1,180)	(-)	(-)
13-Aug-05	1144.00	-	-	-	-	-	-	-
		(4,492)	(-)	(-)	(-)	(4,492)	(-)	(-)
15-Sep-05	1271.25	-	-	-	-	-	-	-
		(3,016)	(-)	(-)	(-)	(3,016)	(-)	(-)
15-Mar-07	648.75	52,800	-	-	-	3,600	49,200	49,200
		(95,200)	(-)	(-)	(-)	(42,400)	(52,800)	(52,800)
23-Jan-08	898.25	17,232	-	-	-	9,634	7,598	7,598
		(36,900)	(-)	(-)	(-)	(19,668)	(17,232)	(17,232)
18-Aug-09	627.25	20,000	-	-	-	20,000	-	-
		(20,000)	(-)	(-)	(-)	(-)	(20,000)	(20,000)
26-Oct-10	586.75	60,000	-	-	-	60,000	-	-
		(60,000)	(-)	(-)	(-)	(-)	(60,000)	(60,000)
2-Feb-11	516.50	-	-	-	-	-	-	-
		(12,000)	(-)	(4,800)	(-)	(7,200)	(-)	(-)
30-Jan-12	233.25	6,000	-	-	-	-	6,000	3,600
		(16,000)	(-)	(7,000)	(-)	(3,000)	(6,000)	(3,600)
18-Jun-12	202.00	-	-	-	-	-	-	-
		(12,000)	(-)	(8,400)	(-)	(3,600)	(-)	(-)
9-Sep-13	132.00	10,000	-	-	3,000	-	7,000	-
		(-)	(10,000)	(-)	(-)	(-)	(10,000)	(-)
18-Sep-2014	380.00	-	15,000	-	-	-	15,000	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
21-Nov-2014	363.75	-	10,000	-	-	-	10,000	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total		166,032	25,000	-	3,000	93,234	94,798	60,398
		(335,020)	(10,000)	(20,200)	(-)	(158,788)	(166,032)	(153,632)

Note: Previous year's figures are given in brackets.

Details of Grants made under Employee Stock Based Compensation Plan 2005

Date of Grant	Exercise price of the option for five equity shares of ₹ 2/- each	Options outstanding at the beginning of the year	Options granted during the year	Options forfeited during the year	Options exercised during the year	Options expired during the year	Options outstanding at the end of the year	Options exercisable at the end of the year
13-Aug-05	1144.00	448,776	-	-	-	260,078	188,698	188,698
		(827,378)	(-)	(-)	(-)	(378,602)	(448,776)	(448,776)
19-Oct-05	1157.50	7,336	-	-	-	4,138	3,198	3,198
		(17,190)	(-)	(-)	(-)	(9,854)	(7,336)	(7,336)

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Notes

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Date of Grant	Exercise price of the option for five equity shares of ₹ 2/- each	Options outstanding at the beginning of the year	Options granted during the year	Options forfeited during the year	Options exercised during the year	Options expired during the year	Options outstanding at the end of the year	Options exercisable at the end of the year
15-Nov-05	1267.75	2,580	-	-	-	1,510	1,070	1,070
		(4,830)	(-)	(-)	(-)	(2,250)	(2,580)	(2,580)
15-Dec-05	1348.25	1,540	-	-	-	1,070	470	470
		(2,760)	(-)	(-)	(-)	(1,220)	(1,540)	(1,540)
14-Jan-06	1300.00	680	-	-	-	340	340	340
		(4,068)	(-)	(-)	(-)	(3,388)	(680)	(680)
15-Feb-06	1308.00	560	-	-	-	280	280	280
		(1,944)	(-)	(-)	(-)	(1,384)	(560)	(560)
16-Mar-06	1031.00	1,680	-	-	-	990	690	690
		(4,410)	(-)	(-)	(-)	(2,730)	(1,680)	(1,680)
17-Apr-06	868.75	320	-	-	-	160	160	160
		(1,740)	(-)	(-)	(-)	(1,420)	(320)	(320)
15-May-06	842.50	2,020	-	-	-	1,210	810	810
		(4,110)	(-)	(-)	(-)	(2,090)	(2,020)	(2,020)
15-Jun-06	620.50	1,720	-	-	-	860	860	860
		(4,380)	(-)	(-)	(-)	(2,660)	(1,720)	(1,720)
17-Jul-06	673.75	2,250	-	-	-	1,630	620	620
		(4,112)	(-)	(-)	(-)	(1,862)	(2,250)	(2,250)
15-Mar-07	648.75	142,440	-	-	-	63,600	78,840	78,840
		(218,400)	(-)	(-)	(-)	(75,960)	(142,440)	(142,440)
23-Jan-08	898.25	42,720	-	-	-	24,135	18,585	18,585
		(97,125)	(-)	(-)	(-)	(54,405)	(42,720)	(42,720)
16-Aug-11	375.00	18,000	-	4,000	-	14,000	-	-
		(30,000)	(-)	(12,000)	(-)	(-)	(18,000)	(12,000)
17-Aug-11	375.00	7,000	-	-	-	-	7,000	4,200
		(7,000)	(-)	(-)	(-)	(-)	(7,000)	(2,800)
18-Jun-12	202.00	-	-	-	-	-	-	-
		(4,000)	(-)	(3,200)	(-)	(800)	(-)	(-)
30-Jan-13	186.00	20,000	-	-	-	-	20,000	8,000
		(20,000)	(-)	(-)	(-)	(-)	(20,000)	(4,000)
14-Feb-13	178.00	-	-	-	-	-	-	-
		(8,000)	(-)	(8,000)	(-)	(-)	(-)	(-)
10-May-13	187.00	10,000	-	8,000	2,000	-	-	-
		(10,000)	(-)	(-)	(-)	(-)	(10,000)	(2,000)
Total		709,622	-	12,000	2,000	374,001	321,621	306,821
		(1,271,447)	(-)	(23,200)	(-)	(538,625)	(709,622)	(675,422)

Note: Previous year's figures are given in brackets.

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Assumptions

The fair value of each stock option granted under Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005 as on the date of grant has been computed using Black-Scholes Option Pricing Formula and the model inputs are given as under:

	Employee Stock Option Scheme 2000	Employee Stock Based Compensation Plan 2005
Volatility	31% to 54%	31% to 65%
Risk free rate	7.28% to 8.27%	7.28% to 8.35%
Exercise Price	₹ 132.00 to ₹ 1,271.25	₹ 178.00 to ₹ 1,348.20
Time to Maturity (years)	2.20 to 5.50	2.50 to 7.00
Dividend Yield	0% to 32%	0% to 37%
Life of options	8.5 Years	10 Years
Fair Value of options as at the grant date	₹ 1.69 to ₹ 196.18	₹ 0.00 to ₹ 268.16

Notes:

1. Volatility: Based on historical volatility in the share price movement of the Company.
2. Risk Free Rate: Being the interest rate applicable for maturity equal to the expected life of options based on yield curve for Government Securities.
3. Time to Maturity: Vesting period and volatility of the underlying equity shares have been considered for estimation.
4. Dividend Yield: Based on historical dividend payouts.

The impact on the profit/(loss) of the Company for the year ended June 30, 2015 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

Proforma Disclosures

	2015 ₹/Crores	2014 ₹/Crores
Loss after tax as per Statement of Profit and Loss (a)	(70.89)	(191.69)
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	-	-
Less: Employee Stock Compensation Expense as per Fair Value Method	0.12	0.03
Loss after tax recomputed for recognition of employee stock compensation expense under fair value method (b)*	(71.01)	(191.72)
Loss Per Share based on earnings as per (a) above: (Refer Note 43)		
- Basic	(₹ 3.18)	(₹ 8.60)
- Diluted	(₹ 3.18)	(₹ 8.60)
Loss Per Share had fair value method been employed for accounting of employee stock options:		
- Basic	(₹ 3.19)	(₹ 8.60)
- Diluted	(₹ 3.19)	(₹ 8.60)

* Excludes impact on tax expense of employee stock compensation expense.

42. Leases:

a) Cancelable Operating Leases

As Lessee:

- (i) The Company has taken various residential/commercial premises under cancelable operating leases. These leases are for a period of eleven months to three years and are normally renewable on expiry.

Notes to the financial Statements

- (ii) The rental expense in respect of operating leases is ₹ 7.38 Crores (2014 - ₹ 12.19 Crores) which is disclosed as Rent expense under 'Other expenses'.

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of building given on operating lease are as below:

	2015 ₹/Crores	2014 ₹/Crores
Gross Block	5.58	5.58
Accumulated Depreciation	2.27	2.23
Net Block	3.31	3.35
Depreciation Expense	0.04	0.10

43. Earnings / (Loss) per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The earnings considered in ascertaining the company's EPS represent profit/(loss) for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Calculation of EPS:

Particulars	2015	2014
Loss after tax (₹/Crores)	(70.89)	(191.69)
Weighted average number of shares considered as outstanding in computation of Basic EPS	222,893,163	222,879,629
Weighted average number of shares outstanding in computation of Diluted EPS	222,893,163	222,879,629
Basic EPS (of ₹ 2/- each)	(₹3.18)	(₹ 8.60)
Diluted EPS (of ₹ 2/- each)	(₹3.18)	(₹ 8.60)

44. Segment Reporting

The Company recognises the following segments as its primary Segments :

- (i) Hardware Products & Solution business comprise of :
 - (a) Sale of IT products & solutions to enterprise and government customers
 - (b) Sale of HCL branded products to enterprise and government customers including sale to consumer through channel partners.
- (ii) Distribution segment comprises of distribution of :
 - (a) Consumer Products including telecommunication, digital lifestyle products and consumer electronic & home appliances
 - (b) Enterprise products including IT products, Enterprise software and Office Automation products.

Details of secondary segments are not disclosed as more than 90% of the Company's revenues, results and assets relate to the domestic market.

Notes

to the financial Statements

Segment wise performance for the year ended June 30, 2015

₹/Crores

Primary Segments	Hardware Products & Solutions	Distribution	Inter-segment Elimination	Total
(i) Revenue				
External Revenue	88.07	4,223.78		4,311.85
	(1010.41)	(4719.13)		(5,729.54)
Inter-segment Revenue		0.01	-0.01	
		(4.23)	(-4.23)	(0.00)
Total Gross Revenue	88.07	4,223.79	-0.01	4,311.85
	(1,010.41)	(4,723.36)	(-4.23)	(5,729.54)
Less: Excise Duty				
	(4.13)			(4.13)
Total Net Revenue	88.07	4,223.79	-0.01	4,311.85
	(1,006.28)	(4,723.36)	(-4.23)	(5,725.41)
(ii) Results	-27.80	88.62		60.82
	(-63.40)	(100.06)		(36.66)
Less: Unallocable Expenditure				34.79
				(26.31)
Operating Profit				26.03
				(10.35)
Add: Other Income (Excluding Operational Income)				143.84
				(66.27)
Less: Finance Charges				96.74
				(74.95)
Profit/(Loss) before exceptional and extraordinary items and tax				73.13
				(1.67)
Exceptional items				139.34
				(178.75)
Profit/(Loss) before tax				-66.21
				(-177.08)
Less: Tax Expense				4.68
				(14.61)
Profit/(Loss) After Tax				(70.89)
				(-191.69)
(iii) Segment Assets	228.74	409.30		638.04
	(454.36)	(335.40)		(789.76)

Notes to the financial Statements

Segment wise performance for the year ended June 30, 2015

₹/Crores

Primary Segments	Hardware Products & Solutions	Distribution	Inter-segment Elimination	Total
Unallocated Corporate Assets				
a) Liquid Assets				265.04
				(304.48)
b) Others				2194.79
				(2027.90)
Total Assets				3097.87
				(3122.14)
(iv) Segment Liabilities	193.92	390.93		584.85
	(361.23)	(492.60)		(853.83)
Unallocated Corporate Liabilities				64.67
				(14.24)
Total Liabilities				649.52
				(868.07)
(v) Capital Expenditure (allocable)	0.00	1.35		1.35
	(0.46)	(0.52)		(0.98)
Capital Expenditure (unallocable)				0.79
				(1.29)
(vi) Depreciation (allocable)	1.96	0.71		2.67
	(3.16)	(0.51)		(3.67)
Depreciation (unallocable)				4.20
				(4.77)
(vii) Other Non Cash Expenses (allocable)	5.53	1.95		7.48
	(0.39)	(0.49)		(0.88)
Other Non Cash Expenses (unallocable)				2.64
				(0.54)

Note: Previous year's figures are given in brackets.

Segment Results include ₹ 1.04 crores (2014 - ₹ 5.33 Crores) of certain Operating other income which is included in 'Other income' in the Statement of Profit and Loss.

45. The Company has calculated the various benefits provided to employees as under:

(a) Defined Contribution

(i) Superannuation Fund

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

	2015 ₹/Crores	2014 ₹/Crores
Employers Contribution to Superannuation Fund*	0.54	0.70

Notes to the financial Statements

(b) State Plans

- (i) Employee State Insurance
- (ii) Employee's Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

	2015 ₹/Crores	2014 ₹/Crores
Employers contribution to Employee State Insurance*	0.03	0.11
Employers contribution to Employee's Pension Scheme 1995*	1.05	0.72

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Refer Note 24).

(c) Defined Benefits

- (i) Gratuity
- (ii) Provident Fund#

The Company contributes to the employee provident fund trust "Hindustan Computers Limited Employees Provident Fund Trust" which is managed by the Company. The Company's Provident Fund Trust is exempted under Section 17 of Employees' Provident Fund Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. As per guidance note on AS – 15, Employee Benefits (Revised 2005), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The Trust includes employees of the Company as well as of its wholly owned Indian subsidiaries and of HCL Corporation Private Limited, a related party. In view of the same, it is a multi employer defined benefit plan.

The Trust has been investing the Provident fund contributions of the employees of all the six companies in a composite manner and the same cannot be separately identified entity wise.

In view of the same an actuarial valuation, in accordance with the AS-15 (Revised), was carried out at composite level. As per actuarial certificate there is no shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the "liability on account of interest rate guarantee" is nil.

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

	Gratuity		Provident Fund	
	2015	2014	2015	2014
Discount rate (per annum)	8.00%	8.50%	Not Applicable	Not Applicable
Rate of increase in compensation levels	6.00%	6.00%	Not Applicable	Not Applicable
Rate of return on plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Expected statutory interest rate	Not Applicable	Not Applicable	8.75%	8.75%
Expected short fall in interest earnings	Not Applicable	Not Applicable	0.05%	0.05%
Expected average remaining working lives of employees (years)	19.74	20.13	19.74	20.13

The estimates of future salary increases considered in actuarial valuation takes account into inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

₹/Crores

	2015		2014	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	3.88	169.36	19.41	152.84
Current service cost	0.20	7.11	0.11	8.22
Past service cost	-	-	-	-
Interest cost	0.29	13.55	1.50	13.37

Contd...

Notes to the financial Statements

Contd...

₹/Crores

	2015		2014	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/loss	1.29	(9.11)	(0.39)	(0.16)
Benefits (paid)	(1.62)	(36.07)	(2.75)	(27.55)
Settlements/transfer In	-	5.23	-	4.66
Contribution by plan participants	-	17.37	-	17.98
Amount transferred to subsidiaries (Refer Note 51)	-	-	(14.00)	-
Present value of obligation at the end of the year	4.04	167.44	3.88	169.36

₹/Crores

	2015	2014
	Provident Fund	Provident Fund
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	169.62	152.85
Expected Return on Plan Assets	14.84	13.37
Employer Contribution	7.11	8.22
Settlements/Transfer In	5.23	4.65
Employee Contribution	17.37	17.98
Benefit Paid	(36.07)	(27.55)
Actuarial gain/(loss) on Plan Assets	(0.41)	0.10
Fair value of plan assets at the end of the year	177.69	169.62

₹/Crores

Cost recognised for the year :	2015		2014	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current service cost	0.20	-	0.11	-
Company contribution to Provident Fund	-	7.11	-	8.22
Past service cost	-	-	-	-
Interest cost	0.29	-	1.50	-
Actuarial (gain)/loss	1.29	-	(0.39)	-
Interest guarantee liability	-	-	-	-
Shortfall in fund	-	-	-	-
Net cost recognised for the year*	1.78	7.11 @	1.22	8.22 @

* Included in Salaries, Wages, Bonus and Gratuity for Gratuity and Contribution to Provident and Other Funds for Provident Fund under Employee benefits expense (Refer Note 24).

@ The Company's contribution to Provident Fund for the year is ₹ 1.36 Crores (2014 - ₹ 1.58 Crores) and the remaining relates to other related companies as mentioned above.

In the absence of the relevant information from the Actuary, the above details do not include the composition of Plan assets.

Notes to the financial Statements

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

₹/Crores

	Gratuity				
	2015	2014	2013	2012	2011
Present value of the obligation as at the end of the year	4.04	3.88	19.41	20.10	19.96
Fair value of plan assets at the end of the year	-	-	-	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(4.04)	(3.88)	(19.41)	(20.10)	(19.96)
Experience adjustment in plan liabilities	(1.18)	0.27	0.16	0.03	3.90
Experience adjustment in plan assets	-	-	-	-	-
	Provident Fund				
	2015	2014	2013	2012	2011
Present value of the obligation as at the end of the year	167.44	(169.36)	(152.84)	(140.59)	(123.64)
Fair value of plan assets at the end of the year	177.69	169.62	152.85	141.86	122.64
Assets/(Liabilities) recognised in the Balance Sheet	10.25	-0.74	0.01	0.27	(1.00)
2015		2014			
Expected Contribution to the Provident fund in the next year	7.82	9.04			

** As there is surplus, the same has not been recognised in Balance Sheet.

46. The Company remits the dividends to its non resident shareholders in Indian Rupees.
47. Pursuant to the approval of the shareholders and in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company has:
- On receipt of 25% subscription money, allotted 2,10,59,515 warrants priced at ₹ 152.90 per warrant to certain promoters on a preferential basis on October 7, 2009. Subsequently, 1,64,38,848 warrants have been converted into equal number of equity shares of ₹ 2/- each on October 29, 2009 and 46,20,667 on April 5, 2011 on receipt of the balance 75% subscription money.
 - Raised ₹ 472.67 Crores by allotment of 3,05,55,713 equity shares of ₹ 2/- each at a price of ₹ 154.69 per equity share including a premium of ₹ 152.69 per equity share through Qualified Institutional Placement on October 21, 2009.
- The funds raised through above issues have been utilised as under:

Particulars	As at June 30, 2015 (₹/Crores)	As at June 30, 2014 (₹/Crores)
Gross Proceeds		
- Preferential Issue	322.00	322.00
- Qualified Institutions Placement	472.67	472.67
Less: Share Expenses incurred adjusted with Securities Premium Account during the year	(14.55)	(14.55)
Net Proceeds	780.12	780.12
Utilisation towards		
- Capital expenditure	122.29	122.29
- Acquisition/Expansion of Existing Business	62.48	49.83
- Working Capital	595.35	571.00
Total Utilisation	780.12	743.12
Unutilised		
Currently held in Unquoted (Others)		
Current Investments	0.00	37.00
Total Unutilised	0.00	37.00

Notes

to the financial Statements

48. Disclosure of related parties and related party transactions:**a) Company having substantial interest:**

HCL Corporation Private Limited

b) List of parties where control exists/existed:**Subsidiaries:**

Digilife Distribution and Marketing Services Limited

RMA Software Park Private Limited (up to September 24 , 2014)

HCL Insys Pte. Limited, Singapore

HCL Computing Products Limited

HCL Infosystems MEA FZE, Dubai

HCL Infosystems LLC, Dubai (49% Shareholding of HCL Infosystems MEA FZE)

HCL Infosystems South Africa Pty. Limited

HCL Infotech Limited

HCL Learning Limited

HCL Services Limited

Joint Venture :

Nokia HCL Mobile Internet Services Limited

c) Others (Enterprises over which, individual having indirect significant influence over the company, has significant influence) and with whom transactions have taken place during the year and/or where balances exist:

HCL Technologies Limited

HCL Comnet Limited

HCL Comnet Systems and Services Limited

HCL Avas Private Ltd

HCL Talent Care Privatet Limited

SSN College of Engineering

SSN Trust

RMA Software Park Private Limited (with effect from September 25, 2014)

Vama Sundari Investments (Pondi) Pvt Limited

d) Key Management Personnel:

Mr. Premkumar Seshadri* (Executive Vice Chairman & Managing Director with effect from January 1, 2015)

Mr. Harshavardhan Madhav Chitale (Resigned as director with effect from December 31, 2014.)

Mr. SG Murali (Group CFO with effect from April 1, 2015)

Mr. Sandeep Kanwar (Resigned as CFO with effect from March 31, 2015)

Mr. J.V. Ramamurthy (Resigned as director with effect from March 21, 2014)

Mr Sushil Jain (Company Secretary)

*Remuneration has been paid by HCL Corporation Private Limited

Notes to the financial Statements

e) Summary of Related Party disclosures

Note: All transactions with related parties have been entered in the normal course of business.

(₹/Crores)

A. Transactions	Company having substantial interest		Subsidiaries		Others		Key Management Personnel		Total	
	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14
Sales and Related Income	0.04	0.01	94.97	265.64	8.57	53.60			103.58	319.25
- HCL Corporation Limited	0.04	0.01								
- HCL Infosystems MEA			-	0.05						
- HCL Infotech Limited #			23.46	104.14						
- HCL Services Limited			48.11	38.75						
- Digilife Distribution and Marketing Services Limited			23.40	120.41						
- HCL Technologies Limited					8.09	52.76				
Purchase of Goods			24.45	193.06	9.06	-			33.51	193.06
- Digilife Distribution and Marketing Services Limited			3.75	53.71						
- HCL Infotech Limited #			5.23	24.60						
- HCL Services Limited			11.06	-						
- HCL Insys Pte Limited, Singapore			0.91	114.09						
- HCL Learning Limited			3.49	-						
- HCL Comnet Limited					9.06					
Purchase of Services			34.26	35.84	6.85	4.52			41.11	40.36
- HCL Services Limited			32.01	35.06						
- HCL Infotech Limited #			1.20	0.78						
- HCL Technologies Limited					6.85	4.52				
Sale of Investment					40.74	-			40.74	-
- Vama Sundari Investments (Pond) Pvt Limited					40.74	-				
Net Loans and Advances Refunded/Adjusted			22.87	-	37.62	-			60.49	-
- Digilife Distribution and Marketing Services Limited			21.38	-						
- HCL Learning Limited			1.49	-						
- RMA Software Park Private Limited				-	37.62	-				
Net Loans and Advances Given			424.65	862.48					424.65	862.48
- HCL Infotech Limited			264.22	681.84						
- HCL Learning Limited			-	26.59						
- RMA Software Park Private Limited			-	4.28						
- HCL Services Limited			160.43	128.39						
- Digilife Distribution and Marketing Services Limited			-	21.37						
Interest Charged on Loans & Advances Given			119.02	22.41					119.02	22.41
- HCL Infotech Limited			90.61	17.74						
- HCL Learning Limited			2.99	0.09						
- RMA Software Park Private Limited			0.65	1.05						
- HCL Services Limited			23.93	3.12						
- Digilife Distribution and Marketing Services Limited			0.85	0.41						
Security Deposit Received					4.81	-			4.81	-
- HCL Talent Care Private Limited					4.81	-				
Assets Purchased			0.01	0.18					0.01	0.18
- Digilife Distribution and Marketing Services Limited			0.01	-						
- HCL Services Limited			-	0.18						
Transfer of Net assets on Transfer of Business			-	1,309.28					-	1,309.28
- HCL Service Limited			-	79.31						
- HCL Infotech Limited			-	1,118.13						
- HCL Learning Limited			-	111.84						
Remuneration							3.31	5.05	3.31	5.05
- Mr. Harshavardhan Madhav Chitale							1.15	2.09		
- Mr. J V Ramamurthy							-	0.74		
- Mr. Sandeep Kanwar							1.24	1.74		
- Mr. S.G. Murali							0.47	-		
- Mr. Sushil Jain							0.45	0.49		
Reimbursements towards expenditure										
a) Received			29.93	24.49					29.93	24.49
- HCL Infotech Limited			4.55	9.66						
- HCL Services Limited			20.71	12.65						
- HCL Learning Limited			1.95	2.17						
b) Paid			15.18	-	-	0.65			15.18	0.65
- HCL Services Limited			12.23	-						
- HCL Learning Limited			2.95	-						
- HCL Technologies Limited					-	0.65				
B. Amount due to / from related parties										
Investment In Subsidiaries / Joint Venture			642.96	838.95					642.96	838.95
Business Consideration & Other Receivables			149.93	156.49					149.93	156.49
Trade Receivables	0.01	-	121.83	198.97	4.37	14.06			126.21	213.03
Other Recoverables			1,262.15	895.81	-	0.03			1,262.15	895.84
Trade Payables			168.02	113.98	5.25	-			173.27	113.98
Other Payables					4.81	-			4.81	-

Sales and Related Income, Sale of Services, Purchase of Goods and Purchase of Services are net of ₹ 17.46 Crores (2014 - 47.10 Crores), ₹ 22.63 Crores (2014 - 41.57 Crores), ₹ 225.94 Crores (2014 - 253.38 Crores) and ₹ 185.48 Crores (2014 - 165.48 Crores) respectively for transactions entered into with HCL Infotech limited on account of SI Novation.

Notes to the financial Statements

49. Additional disclosure as per Clause 32 of the Listing Agreement:

Disclosure of amounts at the year end and the maximum amount of loans/advances/investments outstanding during the year ended June 30, 2015

	2015 ₹/Crores					2014 ₹/Crores				
A. Loans and Advances in the nature of Loans to Subsidiary										
a. Name	RMA Software Park Private Limited	HCL Services Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	RMA Software Park Private Limited	HCL Services Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
b. Balance outstanding at the year end	-	288.82	-	946.06	25.09	37.62	128.39	21.37	681.84	26.59
c. Maximum amount outstanding during the year ended June 30, 2015	37.73	292.95	21.37	946.74	28.02	37.62	128.39	21.37	681.84	26.59
B. Loans and Advances in the nature of loans to Fellow Subsidiaries								2015	2014	
								-	-	
a. Name								-	-	
b. Balance outstanding at the year end								Nil	Nil	
c. Maximum amount outstanding during the year ended June 30, 2015								Nil	Nil	
C. Loans and Advances in the nature of Loans where there is no repayment schedule								2015	2014	
								-	-	
a. Name								-	-	
b. Balance outstanding at the year end								Nil	Nil	
c. Maximum amount outstanding during the year ended June 30, 2015								Nil	Nil	
	2015 ₹/Crores					2014 ₹/Crores				
D. Loans and Advances in the nature of loans where no interest or interest below Section 186 of Companies Act, 2013 is charged										
a. Name	RMA Software Park Private Limited	HCL Services Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited	RMA Software Park Private Limited	HCL Services Limited	Digilife Distribution and Marketing Services Limited	HCL Infotech Limited	HCL Learning Limited
b. Balance outstanding at the year end	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Maximum amount outstanding during the year ended June 30, 2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loans given to employees under various schemes of the Company have been considered to be out of purview of disclosure requirement.										
								2015	2014	
E. Loans and Advances in the nature of loans to firms/companies in which directors are interested								Nil	Nil	
F. Disclosure of Investment in the Company's own shares								2015	2014	
								-	-	
a. Name of the Loanee								-	-	
b. Balance outstanding at the year end								Nil	Nil	
c. Maximum amount outstanding during the year ended June 30, 2015								Nil	Nil	
d. Investments made by the Loanee								Nil	Nil	
e. Maximum amount of Investment during the year ended June 30, 2015								Nil	Nil	

Notes to the financial Statements

50. a) Derivative Instruments outstanding at the Balance Sheet date :

The Company has following outstanding derivatives as at the reporting date:

Particulars	Foreign Currency Value / Crores		Average Rate		Maximum Maturity Period	
	2015	2014	2015	2014	2015	2014
Forward contracts to buy USD	\$0.68	\$2.61	65.59	63.16	8 Months	5 Months
Options to hedge USD liability	\$0.00	\$0.00	0.00	0.00	Nil	Nil

The above derivatives have been undertaken to hedge the foreign currency exposures on Import/Royalty payables/ Buyers Credit as at June 30, 2015.

b) As on June 30, 2015 the foreign currency exposure that is not hedged by a derivative instrument or otherwise in respect of :

Particulars	2015 ₹ / Crores	2014 ₹ / Crores
Trade Payables	5.23	11.52
Trade Receivables	4.37	15.27

c) Mark-to-Market losses provided for as on June 30, 2015 of ₹ 0.04 Crores (2014 - ₹ Nil).

d) The unaccrued forward exchange cover has been included under 'Other current assets' as 'Unamortised Premium on Forwards Contracts'.

Particulars	2015 ₹ / Crores	2014 ₹ / Crores
Unamortised premium	0.74	2.60

e) Pursuant to notification u/s 211(3C) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs on December 29, 2011, the Company has opted to accumulate the exchange difference arising on translation of foreign currency items having a term of 12 months or more and amortise such exchange difference over the period of the item. Accordingly, a gain/ (loss) stands deferred as at June 30, 2015.

Particulars	2015 ₹ / Crores	2014 ₹ / Crores
Exchange gain/(loss) deferred	Nil	0.09

51. The Hon'ble High Court of Delhi sanctioned a Composite Scheme of Arrangement (the "Scheme") applicable from 1st January, 2013 between the Company and its wholly owned subsidiaries namely HCL Infotech Limited (formerly known as HCL System Integration Limited), HCL Services Limited (formerly known as HCL Care Limited) and HCL Learning Limited (collectively the "Transferee Companies") and HCL Infocom Ltd and their respective shareholders and creditors under the provisions of section 391 to 394 of the Companies Act, 1956, vide its order dated September 18, 2013 received on October 30, 2013. The Scheme became effective from November 1, 2013 on filing a certified copy of the High Court order with the office of the Registrar of the Companies, NCT of Delhi & Haryana and is applicable from January 1, 2013 (the "Appointed date"). According to the Scheme, as on 1st January, 2013, the Hardware Solutions Business, Services Business and Learning Business (collectively the "Transferred Undertakings") of the Company stand transferred to HCL Infotech Limited, HCL Services Limited and HCL Learning Limited (collectively the "Transferee Companies") respectively, the wholly owned subsidiaries. Also with effect from the appointed date, HCL Infocom Limited has been merged with the Company.

As detailed in the scheme, the Company transferred net assets as on 1st January, 2013 having book value of ₹ 1,118.13 Crores for Hardware Solution Business to HCL Infotech Limited for Nil Consideration, net assets having book value of ₹ 79.31 Crores for Services business to HCL Services Ltd for a consideration of ₹ 61.00 Crores and net assets having book value of ₹ 111.84 Crores of Learning business to HCL Learning Limited at a consideration of ₹ 113.00 Crores. On such transfers, ₹ 1,135.28 Crores, being the difference of the net assets transferred and the consideration received was debited to Business Restructuring Reserve, on merger of HCL Infocom Ltd ₹ 959.48 Crores, being the difference between fair value of net assets and the Company's investment in HCL Infocom Limited, was credited to capital reserve, and the Business restructuring reserve so arising was adjusted from capital reserve ₹ 959.48 Crores and from Securities Premium account ₹ 175.80 Crores.



HCL INFOSYSTEMS

The Fair values as at December 31, 2012 of the transferred undertakings and assets/liabilities recorded by the transferee companies as at appointed date, were determined by the independent valuer appointed by the Company.

In accordance with the Scheme, the Company continued to carry on the business and activities in relation to the Transferred Undertakings on account of and in trust for the respective Transferee Companies from January 1, 2013 (the "Appointed date") till November 1, 2013 (the "Effective date").

The Company transferred the profit/(loss) attributable to the Transferred Undertakings, for the period from appointed date and up to June 30, 2013, amounting to ₹ 49.79 Crores by adjusting through the Surplus in the Statement of Profit and Loss.

Subsequent to the effective date, the Company is in the process of entering into novation agreements with the relevant third parties, including customers and vendors, pertaining to HCL Infotech Limited. These financial statements have been prepared with the assumption that such novation will be granted by respective parties. The Management expects it to be concluded within a reasonable period of time and does not anticipate any material impact on financial results of the Company.

52. Previous year's figures have also been regrouped/recasted, where necessary, to conform to the current year's presentation.

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida

Date : August 20, 2015

For and on behalf of the Board of Directors

PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI

Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN

Company Secretary

Consolidated Accounts

Independent Auditors' Report

To the Members of HCL Infosystems Limited Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of HCL Infosystems Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity; (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at June 30, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its jointly controlled entity as at June 30, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial information of four subsidiaries whose financial information reflect total assets of ₹ 71.67 Crores and net assets of ₹ (57.45) Crores as at June 30, 2015, total revenue of ₹ 115.62 Crores, net loss of ₹ 9.26 Crores and

net cash outflows amounting to ₹ 16.58 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

9. We did not audit the financial information of three subsidiaries and a jointly controlled entity whose financial information reflect total assets of ₹ 1.13 Crores and net assets of ₹ (1.08) Crore as at June 30, 2015, total revenue of ₹ 0.66 Crore, net loss of ₹ 1.21 Crores and net cash outflows amounting to ₹ 1.22 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and a jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and a jointly controlled entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and based on unaudited financial information of the jointly controlled entity, incorporated in India, furnished to us by the management (Refer Note 1 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company, aforementioned subsidiaries and unaudited financial information of the aforementioned jointly controlled entity furnished to us by the management.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to the preparation of the Consolidated Financial Statements.
 - In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors of the Holding Company and its subsidiaries, incorporated in India, as on June 30, 2015 taken on record by the Board of Directors of the Holding Company and aforementioned subsidiaries and on the basis of written representations received from the management for jointly controlled entity, none of the directors of the Group companies and jointly controlled entity incorporated in India is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Consolidated Financial Statements disclose the impact of pending litigations as at June 30, 2015 on the consolidated financial position of the Group and its jointly controlled entity – Refer Note 29 to the Consolidated Financial Statements.
 - Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at June 30, 2015 - Refer Note 8 to the consolidated financial statements. There are no long term derivative contracts as at June 30, 2015.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and jointly controlled entity incorporated in India during the year ended June 30, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership Number: 056155

Place : Noida
Date : August 20, 2015

Annexure To Independent Auditors' Report**Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of HCL Infosystems Limited on the consolidated financial statements as of and for the year ended June 30, 2015**

- i. (a) The Holding Company, its subsidiaries incorporated in India and the jointly controlled entity incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the respective Managements of the Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company, subsidiaries and jointly controlled entity and the nature of their assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the respective Managements of the aforesaid Holding Company, subsidiaries and jointly controlled entity and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the respective Managements of the Holding Company and its subsidiaries incorporated in India during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company and its subsidiaries incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and its subsidiaries incorporated in India and the nature of their respective businesses.
- (c) On the basis of our examination of the inventory records, in our opinion, the Holding Company and its subsidiaries incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company and its subsidiaries incorporated in India as compared to the respective book records were not material.
- (d) The jointly controlled entity incorporated in India is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to such jointly controlled entity.
- iii. The Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Holding Company, aforesaid subsidiaries and jointly controlled entity.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiaries incorporated in India and the nature of their respective businesses for the purchase of inventory and fixed assets and for the sale of goods and services and there is an adequate internal control system commensurate with the size of the jointly controlled entity incorporated in India and the nature of its business for the sale of services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company, subsidiaries and jointly controlled entity, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India have not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India.
- vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company, its subsidiaries incorporated in India and the jointly controlled entity incorporated in India examined by us, the aforesaid Holding Company, subsidiaries and jointly controlled entity are generally regular in depositing undisputed statutory dues in respect of value added tax and are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, wealth tax, service tax, duty of customs, duty of excise, sales tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India examined by us, there are no dues of wealth-tax, service-tax, duty of customs which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and value added tax as at June 30, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs./Crores)	Amount deposited under protest (Rs./Crores)	Period to which the amount relates	Forum where the dispute is pending
HCL Infosystems Limited	Holding Company	Uttar Pradesh Trade Tax Act, 1948	Sales Tax	6.53	3.67	2002-2007	Commercial Tax Tribunal, Noida/Additional Commissioner (Appeals) of Commercial Tax Noida/ Hon'ble High court Allahabad
HCL Infosystems Limited	Holding Company	U.P.Value Added Tax Act-2008	Sales Tax	13.49	1.68	2007-2015	Commercial Tax Tribunal, Noida/Additional Commissioner (Appeals) of Commercial Tax Noida/ Hon'ble High court Allahabad
HCL Infosystems Limited	Holding Company	Delhi Sales Tax Act, 1975	Sales Tax	0.08	0.01	2003-2005	Assessing Authority Sales Tax, Delhi/Joint Commissioner (Appeals) of Sales Tax, Delhi
HCL Infosystems Limited	Holding Company	West Bengal Sales Tax Act, 1994	Sales Tax	8.09	0.67	2005-2012	Board of Sales Tax Kolkata/ Tribunals of Sales Tax Kolkata/Additional Commissioner (Appeals) of Sales Tax Kolkata
HCL Infosystems Limited	Holding Company	Rajasthan Sales Tax Act, 1994	Sales Tax	0.02	0.01	2003-2006	Deputy Commissioner (Appeals) of Sales Tax Jaipur
HCL Infosystems Limited	Holding Company	Rajasthan Value Added Tax Act, 2003	Commercial Tax	32.64	2.59	2006-2012	Deputy Commissioner (Appeals) of Commercial Tax Jaipur/Tax board Commercial Tax Jaipur
HCL Infosystems Limited	Holding Company	Kerala General Sales Tax Act, 1963	Sales Tax	0.75	0.20	2001-2015	Tribunals of Sales Tax Kochi/ Deputy Commissioner (Appeals) of Sales Tax Kochi/ Commercial Tax Officer
HCL Infosystems Limited	Holding Company	Uttarakhand Value Added Tax Act, 2005	Sales Tax	26.03	-	2011-2012	Deputy Commissioner Appeals, Dehradun Forum where the dispute is pending
HCL Infosystems Limited	Holding Company	Jammu & Kashmir Value Added Tax Act, 2005	Sales Tax	2.71	0.04	2007-2014	Dy. Commissioner Appeals Jammu
HCL Infosystems Limited	Holding Company	Punjab General Sales Tax Act, 1948	Sales Tax	1.22	0.52	2007-2013	Tribunal Chandigarh/Dy. Commissioner Appeals, Punjab
HCL Infosystems Limited	Holding Company	Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	0.32	0.20	2006-2014	Commissioner Appeals Hyderabad
HCL Infosystems Limited	Holding Company	Karnataka Value Added Tax, 2003	Sales Tax	1.52	0.53	2006-2012	Dy. Commissioner Appeal Bangalore/Jt. Commissioner Appeal Bangalore
HCL Infosystems Limited	Holding Company	Bihar Value Added Tax Act, 2005	Sales Tax	20.03	3.20	2006-2015	Jt. Commissioner Appeal (Patna)/Commissioner Commercial Tax Patna
HCL Infosystems Limited	Holding Company	Jharkhand Value Added Tax Act, 2005	Sales Tax	0.50	-	2012-2013	Assessing officer (Ranchi)
HCL Infosystems Limited	Holding Company	M.P. Value Added Tax Act, 2002	Sales Tax	0.21	0.15	2011-2013	Jt. Commissioner Appeal

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs./Crores)	Amount deposited under protest (Rs./Crores)	Period to which the amount relates	Forum where the dispute is pending
HCL Infosystems Limited	Holding Company	Maharashtra Value Added Tax Act, 2002	Sales Tax	22.91	0.19	2011-2013	Jt. Commissioner Appeal
HCL Infosystems Limited	Holding Company	Central Excise Act, 1944	Excise Duty	97.60	6.98	2002-2011	Commissioner (Appeals) Chennai/CESTAT Chennai/ Allahabad High Court/CESTAT Delhi/ Hon'ble Supreme Court/Tribunal Delhi/ Tribunal Chennai/Hon'ble Cestat, Chennai /Additional Commissioner Mumbai
HCL Infosystems Limited	Holding Company	Income Tax Act, 1961	Income Tax	5.39	0.01	2004-2012	Assessing Officer, Delhi/ITAT, Delhi/CIT (A)
Digilife Distribution and Marketing Services Limited	Subsidiary	U.P. Value Added Tax Act-2008	Sales Tax	0.63	0.01	2011-2013	Additional Commissioner (Appeals) of Commercial Tax Noida
Digilife Distribution and Marketing Services Limited	Subsidiary	Delhi Value Added Tax Act-2004	Trade Tax	1.88	-	2009-2011	Deputy Commissioner (Appeals) of Sales Tax Delhi
Digilife Distribution and Marketing Services Limited	Subsidiary	Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.52	0.32	2009-2014	Deputy Commissioner (Appeals) of Sales Tax Chennai
Digilife Distribution and Marketing Services Limited	Subsidiary	Rajasthan Value Added Tax Act-2003	Commercial Tax	0.01	-	2011-2012	Tax board Commercial Tax Jaipur
Digilife Distribution and Marketing Services Limited	Subsidiary	Kerala General Sales Tax Act, 1963	Sales Tax	0.03	-	2007-2016	Commercial Tax Officer/ Dy. Commissioner Commercial Tax Kochi
Digilife Distribution and Marketing Services Limited	Subsidiary	Bihar Value Added Tax Act, 2005	Sales Tax	0.11	0.06	2012-2015	Commissioner Commercial Tax Patna/Jt. Commissioner Appeal (Patna)
Digilife Distribution and Marketing Services Limited	Subsidiary	Jharkhand Value Added Tax Act,2005	Sales Tax	0.02	-	2011-2012	Jt. Commissioner Appeal
Digilife Distribution and Marketing Services Limited	Subsidiary	M.P. Value Added Tax Act,2002	Sales Tax	0.17	0.07	2011-2014	Jt. Commissioner Appeal
Digilife Distribution and Marketing Services Limited	Subsidiary	Income Tax Act, 1961	Income Tax- Penalty	0.01	-	2011-2012	CIT (Appeals)
HCL Infotech Limited	Subsidiary	U.P. Trade Tax Act, 1948	Sales Tax	1.35	0.74	2002-2014	Commercial Tax Tribunal, Noida/Additional Commissioner (Appeals) of Commercial Tax Noida/ Hon'ble High court Allahabad
HCL Infotech Limited	Subsidiary	Delhi Value Added Tax Act, 2004	Sales Tax and Trade Tax	1.07	0.08	2003-2006	Assessing Authority Sales Tax, Delhi/Deputy Commissioner (Appeals) of Sales Tax, Delhi

Name of the Company	Relationship	Name of the statute	Nature of dues	Amount (Rs./Crores)	Amount deposited under protest (Rs./Crores)	Period to which the amount relates	Forum where the dispute is pending
HCL Infotech Limited	Subsidiary	Rajasthan Sales Tax Act, 1994	Commercial Tax	0.77	0.17	2006-2013	Deputy Commissioner (Appeals) of Commercial Tax Jaipur/ Assessing Officer
HCL Infotech Limited	Subsidiary	Kerala General Sales Tax Act, 1963	Sales Tax	0.09	0.04	2001-2014	Tribunals of Sales Tax Kochi/ Dy. Commissioner Commercial Tax Kochi
HCL Infotech Limited	Subsidiary	Jammu & Kashmir Value Added Tax Act, 2005	Sales Tax	0.21	0.21	2007-2014	Dy. Commissioner Appeals Jammu
HCL Infotech Limited	Subsidiary	Punjab Value Added Tax Act-2005	Sales Tax	0.04	0.01	2007-2008	Dy. Commissioner Appeals, Punjab
HCL Infotech Limited	Subsidiary	Karnataka Value Added Tax Act, 2003	Sales Tax	0.72	1.00	2006-2011	Dy. Commissioner Appeals, Bangalore
HCL Infotech Limited	Subsidiary	Himachal Pradesh Value Added Tax Act-2005	Sales Tax	0.02	0.02	2006-2013	Assistant Commissioner of Sales Tax Shimla
HCL Infotech Limited	Subsidiary	Orissa Value Added Tax Act, 2004	Sales Tax	0.58	0.14	2005-2011	Dy. Commissioner Appeal (Bhubaneswar)/ Jt. Commissioner Appeal (Patna)
HCL Infotech Limited	Subsidiary	Jharkhand Value Added Tax Act, 2005	Sales Tax	0.05	0.05	2012-2013	Assessing officer (Ranchi)
HCL Services Limited	Subsidiary	Uttar Pradesh Trade Tax Act, 1948	Commercial Tax	0.06	0.06	2013-2014	Additional Commissioner (Appeals) of Commercial Tax Noida
HCL Services Limited	Subsidiary	Kerala General Sales Tax Act, 1963	Sales Tax	1.05	0.67	2001-2015	Dy. Commissioner Commercial Tax Kochi/ Tribunals of Sales Tax Kochi
HCL Services Limited	Subsidiary	Bihar Value Added Tax Act, 2005	Sales Tax	0.12	0.06	2013-2015	Jt. Commissioner Appeal (Patna)
HCL Learning Limited	Subsidiary	Kerala General Sales Tax Act, 1963	Sales Tax	0.38	-	2013-2014	Dy. Commissioner Commercial Tax Kochi

- c) There are no amounts required to be transferred by the Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Holding Company does not have any accumulated losses as at the end of the financial year and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year. Four subsidiaries, incorporated in India, were registered for a period less than five years and therefore, the provisions of Clause 3(viii) of the Order are not applicable to the aforesaid subsidiaries. One subsidiary, incorporated in India, has accumulated losses exceeding fifty percent of its net worth as at the end of the financial year and the aforesaid subsidiary has also incurred cash losses during the financial year ended on that date and in the immediately preceding financial year. The accumulated losses of the jointly controlled entity, incorporated in India, exceeds fifty percent of its net worth as at the end of the financial year and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- ix. According to the records of the Holding Company and its subsidiaries incorporated in India examined by us and the information and explanation given to us, the Holding Company and its subsidiaries incorporated in India have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date. The jointly controlled entity incorporated in India does not have any borrowings from any financial institution or bank nor have they issued any debentures as at the balance sheet date, accordingly the provisions of Clause 3(ix) of the Order are not applicable to the aforesaid jointly controlled entity.

- x. In our opinion, and according to the information and explanations given to us, the Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company, subsidiaries and jointly controlled entity.
- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Holding Company and its subsidiaries incorporated in India have been applied for the purposes for which they were obtained. The jointly controller entity incorporated in India has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the aforesaid jointly controlled entity.
- xii. During the course of our examination of the books and records of the Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the aforesaid Holding Company, its subsidiaries incorporated in India and jointly controlled entity incorporated in India noticed or reported during the year, nor have we been informed of any such case by the respective Managements of the aforesaid Holding Company, its subsidiaries and jointly controlled entity.

Place : Gurgaon
Date : August 20, 2015

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership Number: 056155

Consolidated Balance Sheet as at June 30, 2015

	Notes	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
Equity and Liabilities:					
Shareholders' funds					
Share capital	2	44.58	1,257.50	44.58	1,443.06
Reserves and surplus	3	1,212.92		1,398.48	
Non-current liabilities					
Long-term borrowings	4	235.94		388.14	
Deferred tax liabilities (Net)		0.93		0.51	
Other long-term liabilities	5	20.10		32.31	
Long-term provisions	6	14.47	271.44	13.26	434.22
Current liabilities					
Short-term borrowings	7	643.88	2,418.06	293.86	2,634.26
Trade payables	8	1,073.12		1,435.79	
Other current liabilities	9	684.68		874.12	
Short-term provisions	10	16.38		30.49	
Total Equity and Liabilities			3,947.00		4,511.54
Assets:					
Non-current assets					
Fixed assets					
- Tangible assets	11	135.80	1,085.68	219.72	1,238.41
- Intangible assets	11	674.74		689.65	
- Capital work-in-progress		0.84		10.92	
Deferred tax assets (net)	31	0.43		5.63	
Long-term loans and advances	13	120.48		70.09	
Other non-current assets	14	153.39		242.40	
Current assets					
Current investments	12	234.84		174.78	
Inventories	15	254.74		435.65	
Trade receivables	16	903.97		864.68	
Cash and bank balances	17	134.41		347.25	
Short-term loans and advances	18	218.73		268.66	
Other current assets	19	1,114.63	2,861.32	1,182.11	3,273.13
Total Assets			3,947.00		4,511.54
Significant Accounting Policies		1			

This is the Consolidated Balance Sheet referred to in our report of even date

The notes referred to above form an integral part of the Consolidated Balance Sheet

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

For and on behalf of the Board of Directors
AVIJIT MUKERJI

Partner
Membership Number -056155

PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

KAUSHIK DUTTA

Director
DIN - 03328890

Place : Noida
Date : August 20, 2015

S G MURALI
Group CFO

SUSHIL KUMAR JAIN
Company Secretary

Consolidated Statement of Profit & Loss for the year ended June 30, 2015

	Notes	Year ended 30.06.2015 ₹/Crores		Year ended 30.06.2014 ₹/Crores	
Revenue:					
Revenue from operations (gross)	20	6,220.08		7,852.44	
Less: Excise Duty		-	6,220.08	4.13	7,848.31
Other income	21		64.32		107.01
			6,284.40		7,955.32
Expenses:					
Cost of materials consumed			13.26		401.46
Purchases of stock-in-trade			4,536.06		6,027.95
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22		169.25		53.32
Other direct expense	23		560.31		403.81
Employee benefits expense	24		582.18		571.90
Finance costs	25		142.78		156.04
Depreciation and amortisation expense	11		51.90		52.50
Net Loss on Foreign Exchange Fluctuation (other than considered as Finance Cost)			6.01		70.61
Other expenses	26		425.17		417.91
			6,486.92		8,155.50
Loss before exceptional items and tax			(202.53)		(200.18)
Exceptional items	45		28.94		14.37
Loss before tax			(173.59)		(185.81)
Tax expense					
Current tax		23.78		7.68	
Less: MAT Credit Entitlement		(18.28)		(4.50)	
Current tax - For the year		5.50		3.18	
Deferred tax Expense / (Credit)	31	5.62	11.12	25.52	28.70
Loss for the year			(184.71)		(214.51)
Loss per equity share (in ₹)	34				
Basic (of ₹ 2/- each)			(8.29)		(9.62)
Diluted (of ₹ 2/- each)			(8.29)		(9.62)
Significant Accounting Policies	1				

This is the Statement of Consolidated Profit and Loss referred to in our report of even date

The notes referred to above form an integral part of the Consolidated Profit and Loss

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida
Date : August 20, 2015

For and on behalf of the Board of Directors

PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI

Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN

Company Secretary

Consolidated Cash Flow Statement for the year ended June 30, 2015

		Year ended 30.06.2015		Year ended 30.06.2014	
		₹/Crores		₹/Crores	
1.	Cash Flow from Operating Activities:				
	Profit/(Loss) before tax		(173.59)		(185.81)
	Adjustments for:				
	Depreciation and Amortisation Expense	51.90		52.50	
	Finance Cost	142.78		156.04	
	Interest Income	(39.84)		(56.17)	
	Dividend Income	(9.34)		(11.22)	
	Net (Profit) on Sale of Fixed Assets	(13.73)		(35.99)	
	Fixed Assets and Capital Work-In-Progress Written-Off	9.31		1.08	
	Goodwill and intangible Written-Off	-		9.96	
	Profit on Disposal of Unquoted (Others) Current Investments	(3.31)		(20.25)	
	Provision for Doubtful Debts	86.09		36.25	
	Provision for Doubtful Loans and Advances	12.19		3.29	
	Provisions/Liabilities no longer required Written Back	(3.75)		(10.57)	
	Diminution in the Value of Unquoted/Quoted (Others) Current Investments	-		1.98	
	Effect of Exchange Differences on Translation of Subsidiaries	(0.85)	231.45	2.78	129.68
	Operating Profit/(Loss) before working capital changes		57.86		(56.14)
	Adjustments for changes in working capital:				
	- (Increase)/Decrease in Trade Receivables	(125.37)		296.20	
	- (Increase)/Decrease in Loans and Advances and Other Assets	18.69		(357.57)	
	- (Increase)/Decrease in Inventories	180.91		95.36	
	- Increase/(Decrease) in Liabilities	(499.47)	(425.24)	(841.99)	(808.00)
	Cash generated from operations		(367.38)		(864.14)
	- Taxes (Paid)/Received (Net of Tax Deducted at Source)		(1.81)		65.66
	Net cash from operating activities (A)		(369.19)		(798.48)
2.	Cash flow from Investing Activities:				
	Purchase of Fixed Assets (including Intangible Assets)	(33.47)		(28.80)	
	Capital Work-In-Progress (including Intangible Assets under Development)	0.77		10.43	
	Proceeds from Sale of Fixed Assets	85.78		69.80	
	Proceeds from Sale of Current Investments	776.87		1,595.82	
	Lease Rental Recoverable	113.66		89.70	
	Purchase of Current Investments	(833.62)		(833.62)	
	Investments in Bank Deposits (with original maturity of more than three months)	129.01		(129.42)	
	Movement in Margin Money	(0.20)		0.80	
	Interest Received	39.46		55.95	
	Dividend Received on Current Investments	9.34	287.60	11.22	841.88
	Net cash from/(used in) investing activities (B)		287.60		841.88

Consolidated Cash Flow Statement for the year ended June 30, 2015

	Year ended 30.06.2015 ₹/Crores		Year ended 30.06.2014 ₹/Crores	
3. Cash Flow from Financing Activities:				
Secured Loans				
Proceeds from short term borrowings	65.01		90.49	
Repayment of Long term borrowings	(88.89)		(159.05)	
Unsecured Loans				
Proceeds from Short term borrowings	226.57		45.90	
Proceeds from Long term borrowings	(63.31)		40.29	
Interest Paid	(141.32)		(155.09)	
Dividend Paid	(0.50)	(2.44)	(0.53)	(137.99)
Net cash used in financing activities (C)		(2.44)		(137.99)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(84.03)		(94.59)
Opening Balance of Cash and Cash Equivalents		210.39		304.98
Closing Balance of Cash and Cash Equivalents		126.36		210.39
Cash and cash equivalents comprise		126.36		210.39
Cash, Cheques and Drafts (in hand)		7.59		11.58
Balances with Banks on Current Accounts and Dividend Accounts		87.89		197.29
Balances with Banks on Deposits Accounts		30.88		1.52

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, notified u/s 211(3C) of Companies (Accounting Standard) Rules 2013 and relevant provisions of the Companies Act, 2013
- 2 Cash and cash equivalents include balances with banks in unclaimed dividend accounts amounting to ₹ 2.19 Crores (2014- ₹ 2.66 Crores) which are not available for use by the Company
- 3 Figures in brackets indicate cash outgo.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida

Date : August 20, 2015

Consolidated Cash Flow Statement

For and on behalf of the Board of Directors

PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI

Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN

Company Secretary

Notes

to the Consolidated Financial Statements

1- SIGNIFICANT ACCOUNTING POLICIES

a. GROUP COMPANIES

These consolidated financial statements comprise the financial statement of HCL Infosystems Limited (the "Company"), its subsidiaries and joint ventures (JV) (the "Group"), as given in the following table:

Name of the Subsidiary/ JV	Country of Incorporation	Extent of Holding (%) as at June 30	
		2015	2014
Subsidiary			
Digilife Distribution and Marketing Services Limited	India	100	100
RMA Software Park Private Limited (Refer note 45)	India	-	100
Pimpri Chinchwad eServices Limited	India	85	85
HCL Computing and Products Limited	India	100	100
HCL Infotech Limited	India	100	100
HCL Learning Limited	India	100	100
HCL Services Limited	India	100	100
Step-down Subsidiary of HCL Services Limited			
HCL Insys Pte. Limited.	Singapore	100	100
HCL Touch Inc.	USA	100	100
Step-down Subsidiary of HCL Infotech Limited			
HCL Investment Pte. Limited.	Singapore	100	100
Step-down Subsidiary of HCL Investment Pte. Limited			
HCL Infosystems South Africa Pty. Limited	South Africa	100	100
Step-down Subsidiary of HCL Insys Pte. Limited			
HCL Infosystems MEA FZE	Dubai	100	100
Step-down Subsidiary of HCL Infosystems MEA FZCO			
HCL Infosystems LLC, Dubai#	Dubai	49	49
HCL Infosystems MEA LLC, Abu Dhabi #	Abu Dhabi	49	49
HCL Infosystems Qatar, WLL #	Qatar	49	49
Joint Venture			
Nokia HCL Mobile Internet Services Limited	India	49	49

Due to control over composition of the Board of Directors.

b. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities, except for System Integration business. The System Integration business which comprises of long-term contracts and have an operating cycle exceeding one year. For classification of current assets and liabilities related to System Integration business, the Group elected to use the duration of the individual contracts as its operating cycle.

Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions in full as per Accounting Standard 21 on 'Consolidated Financial Statements'.

Notes to the Consolidated Financial Statements

Minority Interest represents the minority shareholders' proportionate share of net assets and the net income in consolidated subsidiaries. Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company.

Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra-group balances, transactions and unrealised profits/losses are eliminated to the extent of Company's proportionate share in such joint venture.

All unrealised surplus and deficits on transactions among the Group companies are eliminated.

Goodwill has been recorded to the extent that the cost of acquisition exceeds the book value of group's share of identifiable net assets in each acquired company. The goodwill arising on consolidation is tested for impairment at each balance sheet date.

Accounting policies among the Group companies are materially consistent.

c. FIXED ASSETS

Tangible Fixed Assets including in-house capitalisation and Capital work-in-progress are stated at cost except those which are revalued from time to time on the basis of current replacement cost/value to the Group, net of accumulated depreciation.

Assets taken on finance lease on or after April 1, 2001 are stated at fair value of the assets or present value of minimum lease payments whichever is lower.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

d. DEPRECIATION AND AMORTISATION

From the current year, Schedule XIV of the Companies Act, 1956 has been replaced by Schedule II of the Companies Act, 2013. Due to such change, the impact of which is not material, depreciation is being provided as given below.

(a) Depreciation on fixed assets of the Company and its domestic subsidiaries is provided on a pro-rata basis on straight-line method using the useful lives of assets prescribed in Schedule II of the Companies Act, 2013 except for Hand Held Terminal which are depreciated over the useful life of 5 years, which, based on technical assessment, management believes represent the period over which these are expected to be used.

(b) Depreciation on fixed assets of the Foreign subsidiaries is provided on a pro-rata basis on straight-line method based on the management estimates of useful economic lives as follows

Building	20 Years
Computers	3-4 Years
Furniture and Fixtures	4-6 Years
Office Equipments	6 Years

(c) Intangible Assets (other than Goodwill) are amortised at straight line basis as follows:

Intellectual Property Rights	7 years
Software	1-5 years
Technical Know how (Product/Technology development cost)	3 years

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(d) Leasehold Land is amortised over a period of lease. Leasehold improvements are amortised on straight line basis over the period of three years or lease period whichever is lower.

(e) Goodwill arising on acquisition and on Consolidation is tested for impairment at each balance sheet date.

(f) Individual assets costing ₹ 5,000 or less are depreciated/amortised fully in the year of acquisition.

Notes to the Consolidated Financial Statements**e. INVESTMENTS**

Current investments are carried at lower of cost or fair value where fair value for mutual funds is based on net asset value and for bonds is based on market quote.

f. INVENTORIES

Raw Materials and Components held for use in the production of Finished Goods and Work-In-Progress are valued at cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost is determined on the basis of weighted average.

Finished Goods, Stock-In-Trade and Work-In-Progress are valued at lower of cost and net realisable value.

Cost of Finished Goods and Work-In-Progress includes cost of raw materials and components, direct labour and proportionate overhead expenses. Cost is determined on the basis of weighted average.

Stores and Spares are valued at lower of cost and net realisable value/future economic benefits expected to arise when consumed during rendering of services. Adequate adjustments are made to the carrying value for obsolescence. Cost is determined on the basis of weighted average.

Goods In-Transit are valued inclusive of custom duty, where applicable.

g. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all monetary items denominated in foreign currency, are reported at the exchange rates prevailing at the balance sheet date and the resultant gain or loss is recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) With respect to exchange differences arising on translation of long term foreign currency monetary items having a term of 12 months or more, from July 1, 2011 onwards, the Group has adopted the following policy:
 - (i) Exchange differences relating to long term foreign currency monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to or deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (ii) In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised over the balance period of the long term assets/liabilities but not beyond March 31, 2020.
- d) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate change.
- e) Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.
- f) Any profit or loss arising on cancellation or renewal of a forward exchange contract are recognised as income or as expense for the period.
- g) The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself.
- h) In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in a "Foreign Currency Translation Reserve" until the disposal of the net investment.

Notes to the Consolidated Financial Statements

h. EMPLOYEE BENEFITS

Defined Benefits:

Gratuity

Liability for gratuity is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to a multi-employer Trust administered by the Company. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Other Benefits:

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Defined Contribution:

Contributions to the employees' state insurance fund, administered by the prescribed government authorities, are made in accordance with the Employees' State Insurance Act, 1948 and are recognised as an expense on an accrual basis.

Group's contribution towards Superannuation Fund is accounted for on accrual basis. The Group makes defined contribution to a Superannuation Trust established for the purpose. The Group has no further obligations beyond its monthly contributions.

i. REVENUE RECOGNITION

- (a) Sales, after adjusting trade discount, are inclusive of excise duty and the related revenue is recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realisation of the consideration.
- (b) Composite contracts, outcome of which can be reliably estimated, where no significant uncertainty exists regarding realisation of the consideration, revenue is recognised in accordance with the percentage completion method, under which revenue is recognised on the basis of cost incurred as a proportion of total cost expected to be incurred. The foreseeable losses on the completion of contract, if any, are provided for immediately.
- (c) Service income includes income from IT infrastructure managed services, break-fix services, cloud services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services. Revenues relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed priced contracts is recognised on proportionate completion basis. Revenue from a period based service contracts is recognised on a pro rata basis over the period in which such services are rendered.
- (d) Contract-in-progress: For System Integration business, difference between cost incurred plus recognised profit/ less recognised losses and the amount due for payment is disclosed as contract-in-progress.
- (e) Revenue from sale of licenses for educational digital content are recognised on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realisation of the consideration.

Notes to the Consolidated Financial Statements**j. GOVERNMENT GRANTS**

Revenue grants, where reasonable certainty exists that the ultimate collection will be made, are recognised on a systematic basis in Statement of Profit and Loss over the periods necessary to match them with the related cost which they are intended to compensate.

k. LEASES

- a) Assets taken under leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.
- b) Initial direct costs relating to the finance lease transactions are included as part of the amount capitalised as an asset under the lease.
- c) Assets taken on leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on straight-line basis over the lease term.
- d) Profit on sale and leaseback transactions is recognised over the period of the lease.
- e) Assets given under finance lease are recognised as receivables at an amount equal to the net investment in the lease. Inventories given on finance lease are recognised as deemed sale at fair value. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.
- f) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.
- g) In sale and leaseback transactions and further sub-lease resulting in finance leases, the deemed sale is recognised at fair value at an amount equal to the net investment in the lease where substantially all risks and rewards of ownership have been transferred to the sub-lessee. A liability is created at the inception of the lease at the lower of fair value or the present value of minimum lease payments for sale and leaseback transaction. Each lease rental payable/receivable is allocated between the liability/receivable and the interest cost/income, so as to obtain a constant periodic rate of interest on outstanding liability/receivable for each period.

l. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies consistently used in the preparation of consolidated financial statements. The basis of reporting is as follows:

- a) Revenue and expenses distinctly identifiable to a segment are recognised in that segment. Identified expenses include direct material, labour, overheads and depreciation on fixed assets. Expenses that are identifiable with/ allocable to segments have been considered for determining segment results.
Allocated expenses include support function costs which are allocated to the segments in proportion of the services rendered by them to each of the business segments. Depreciation on fixed assets is allocated to the segments on the basis of their proportionate usage.
- b) Unallocated expenses/income are enterprise expenses/income, which are not attributable or allocable to any of the business segment.
- c) Assets and liabilities which arise as a result of operating activities of the segment are recognised in that segment. Fixed assets which are exclusively used by the segment or allocated on a reasonable basis are also included.
- d) Unallocated assets and liabilities are those which are not attributable or allocable to any of the segments and includes liquid assets like investments, bank deposits and investments in assets given on finance lease.
- e) Segment revenue resulting from transactions with other business segments is accounted on the basis of transaction price which is at par with the prevailing market price.

m. BORROWING COSTS

Borrowing costs to the extent related/attributable to the acquisition/construction of assets that necessarily take substantial period of time to get ready for their intended use are capitalised along with the respective fixed asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.

n. CURRENT AND DEFERRED TAX

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions where the Group conducts the business.

Notes to the Consolidated Financial Statements

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Group reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

o. PROVISIONS AND CONTINGENT LIABILITIES

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the amount of the obligation cannot be made.

p. USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimate of cost expected to be incurred to complete performance under composite arrangements, income taxes, provision for warranty, employment benefit plans, provision for doubtful debts and estimated useful life of the fixed assets. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

q. EMPLOYEE STOCK OPTION SCHEME

The Group calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Group, is recognised as deferred stock compensation expense and is amortised over the vesting period on the basis of generally accepted accounting principles in accordance with the guidelines of Securities and Exchange Board of India.

r. IMPAIRMENT OF ASSETS

At the each balance sheet date, the Group assesses whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, the Group estimates the recoverable amount and if the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

s. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

t. RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has ability and intention to complete the asset and use or sell it and cost can be measured reliably.

Notes to the Consolidated Financial Statements

	As at 30.06.2015 ₹/Crores	As at 30.06.2014 ₹/Crores
2- Share capital		
Authorised		
55,25,00,000 Equity Shares (2014 - 55,25,00,000) of ₹ 2/- each	110.50	110.50
5,00,000 Preference Shares (2014 - 5,00,000) of ₹ 100/- each	5.00	5.00
TOTAL	115.50	115.50
Issued, Subscribed and Paid up		
22,29,04,629 Equity Shares (2014 - 22,28,79,629) of ₹ 2/- each (Fully Paid up) (Number of Shares of Issued: 2015-25,000 (2014-Nil))	44.58	44.58
Add: Shares Forfeited -1,000 shares of ₹ 1/- each (2014 - 1,000 shares of ₹ 1/- each)	0.00	0.00
TOTAL	44.58	44.58

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(ii) Shares reserved for issue under options:

For detail of shares reserved for issue under Employee Stock Option Plan of the Company, refer Note 32.

(iii) Shareholders holding more than 5% of the aggregate shares in the Company

	As at 30.06.2015		As at 30.06.2014	
	Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Corporation Private Limited	111,382,239	49.97	111,382,239	49.97
(b) AKM Systems Pvt. Ltd.	11,997,007	5.38	11,997,007	5.38

3- Movement in Reserves and surplus

₹/Crores

Particulars	Business restructuring reserve	Capital Reserve	Securities Premium Account	General Reserve	Foreign Currency Translation Reserve	Surplus in the Statement of Consolidated Profit and Loss	Total Reserves and Surplus
As at July 1, 2013	-	0.04	896.00	215.76	11.84	666.39	1,790.03
-Addition to Foreign Currency Translation Reserve	-	-	-	-	2.78	-	2.78
-Loss for the year	-	-	-	-	-	(214.52)	(214.52)
-Adjustment on account of Scheme (refer note 44)	-	-	-	-	-	(3.93)	(3.93)
-On merger of HCL Infocom limited (refer note 44)	-	959.48	-	-	-	-	959.48
-On transfer of business (refer note 44)	(1,135.36)	-	-	-	-	-	(1,135.36)
-Transfer of Business restructuring reserve to Capital reserve and Securities Premium (refer note 44)	1,135.36	(959.48)	(175.88)	-	-	-	-
As at June 30, 2014	-	0.04	720.12	215.76	14.62	447.94	1,398.48
As at July 1, 2014	-	0.04	720.12	215.76	14.62	447.94	1,398.48
-Addition to Foreign Currency Translation Reserve	-	-	-	-	(0.85)	-	(0.85)
-Loss for the year	-	-	-	-	-	(184.71)	(184.71)
As at June 30, 2015	-	0.04	720.12	215.76	13.77	263.23	1,212.92

Notes to the Consolidated Financial Statements

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
4- Long-term borrowings				
Secured:				
Term Loans				
- From Banks		79.99		168.88
		79.99		168.88
Unsecured:				
Term Loans				
- From Others		146.16		201.67
Finance Lease Obligation (Refer Note 33)		9.79		17.59
		155.95		219.26
TOTAL		235.94		388.14

Notes:

1. Secured Term Loan from Banks amounting to ₹ Nil Crores (2014 - ₹ 26.67 Crores), out of which ₹ Nil Crores (2014 - ₹ 26.67 Crores) is shown under current maturity of long term debt, is secured by way of first charge on movable and immovable fixed assets of the Company. The loan is repayable in 6 half yearly installments from the date of the loan which carries interest @ 11.25 % p.a.
2. Secured Term Loan from Banks amounting to ₹ 143.48 Crores (2014 - ₹ 300.00 Crores), out of which ₹ 143.48 Crores (2014 - ₹ 156.56) is shown under current maturity of long term debt, is secured by way of subservient charge on current assets of the Company. It also carries a lien on Mutual Funds of ₹ 99.83 Crores. The loan is repayable in 23 monthly equal instalments starting July 2014 (i.e 1 year from the date of disbursement of the loan) and carries interest @ 11.25 % p.a.
3. Secured Term Loan from Banks amounting to ₹ 25.45 Crores (2014 - ₹ 127.23 Crores), out of which ₹ 25.45 Crores (2014 - ₹ 101.79 Crores) is shown under current maturity of long term debt, and ₹ 75 Crores (2014 - ₹ Nil Crores) which is short term loan (Refer Note 7), is secured by way of subservient charge on current assets of the Company. It also carries a lien on Mutual Funds of ₹ 50 Crores. The loan is repayable in 8 quarterly equal instalments starting from the date of disbursement and carries interest @ 11.67 % p.a. and Short Term Loan of ₹ 75 Crores is repayable one year from the date of disbursement and carries interest @ 11.50 % p.a.
4. Secured Term Loan from Others amounting to ₹ Nil Crores (2014- ₹ 0.07 Crores), out of which ₹ Nil Crores (2014- ₹ 0.07 Crores) is shown under current maturity of long term debt, is secured against the hypothecation charge on the vehicles. The loans are payable over a period of 4 years with installments payable each month.
5. Secured Term Loan from Banks amounting to ₹ 99.91 Crores (2014 - ₹ NIL), out of which ₹ 19.92 Crores (2014 - ₹ NIL) is shown under current maturity of long term debt, is secured by way of Hypothecation over the receivable from a particular project. The loan is repayable in 1 half yearly and 14 quarterly equal instalments starting from the date of disbursement and carries interest @ 11.25 % p.a.
6. Unsecured Term loans from Others amounting to ₹ 29.25 Crores (2014 - ₹ 14.77 Crores) and ₹ 9.22 Crores (2014 - ₹ 12.13 Crores), out of which ₹ 27.02 Crores (2014 - ₹ 14.36 Crores) is shown under current maturity of long term debt, are repayable in 8 to 19 equal quarterly installments from the date of the loans and in 3 equal yearly installments from the date of the loan and balance payable in 4th year respectively which are interest free.
7. Unsecured Loan under receivable buyout facility amounting to ₹ 53.27 Crores (2014 - ₹ 70.87), out of which ₹ 21.97 Crores (2014 - ₹ 17.58 Crores) is shown under current maturity of long term debt, are repayable in 14 to 20 equal quarterly instalments from the date of the disbursement.
8. Unsecured Term loans from Others amounting to ₹ 187.87 Crores (2014 - ₹ 202.83 Crores), out of which ₹ 100.06 Crores (2014 - ₹ 73.68 Crores) is shown under current maturity of long term debt, is repayable in 11 to 12 equal quarterly instalments from the date of the disbursement which carries interest @ 11.80% to 12.50% p.a.
9. Unsecured Term loans from Others amounting to ₹ 41.70 Crores (2014 - ₹ 17.58 Crores), out of which ₹ 26.08 Crores (2014 - ₹ 10.87 Crores) is shown under current maturity of long term debt, is repayable in 2 quarterly , 2 half yearly and balance 16 quarterly instalments from the date of the disbursement which carries interest @ 13% p.a.
10. Deferred Payment Liabilities amounting to ₹ Nil Crores (2014 - ₹ 1.12 Crores), out of which ₹ Nil Crores (2014 - ₹ 1.12 Crores) is shown under current maturity of long term debt, is towards payment for the land taken on leasehold basis from Greater Noida Development Authority. This is secured by way of charge on the land.

Notes to the Consolidated Financial Statements

	As at 30.06.2015 ₹/Crores	As at 30.06.2014 ₹/Crores
5- Other long-term liabilities		
Trade Payables (Including Acceptance ₹ Nil Crores (2014 - ₹ 0.44 Crores))	0.60	11.20
Deferred Revenue	6.08	16.54
Deposits	13.42	4.57
TOTAL	20.10	32.31
6- Long-term provisions		
Provision for Gratuity (Refer Note 36)	14.47	13.26
TOTAL	14.47	13.26
7- Short-term borrowings		
Secured:		
Loans from Banks		
- From Banks	281.90	82.00
- Cash Credits	48.14	104.39
- Buyers Credit	10.29	88.93
	340.33	275.32
Unsecured:		
Others		
- Commercial Papers	300.00	-
- Term Loans from Banks	3.55	18.54
	303.55	18.54
TOTAL	643.88	293.86

Note:

1. Secured Loan from Banks amounting to ₹ 139.90 Crores is secured by way of (1) hypothecation of stock-in-trade, book debts as first charge of the Company and its demerged subsidiaries, pursuant to the scheme of arrangement and (2) by way of second charge on all the immovable and movable assets of the Company, along with non-fund based facilities from Banks. The charge ranks pari-passu amongst Bankers.
2. Secured Loan from Banks amounting to ₹ 75 crores is secured by way of subservient on Current assets of the company and it also carries lien on mutual funds. (Refer Note 4).
3. Secured Loan from Bank amounting to ₹ 67 Crores (2014- ₹ 82 Crores), Cash credit and Buyers credit along with non-fund based facilities from Banks are secured by way of hypothecation of stock-in-trade, book debts as first charge and by way of second charge on all the immovable and movable assets of the Company and its demerged subsidiaries, pursuant to the scheme of arrangement. The charge ranks pari-passu amongst Bankers.

	As at 30.06.2015 ₹/Crores	As at 30.06.2014 ₹/Crores
8- Trade payables		
Trade payables [Including Acceptance ₹ 153.57 Crores (2014 - ₹ 235.45 Crores) and foreseeable loss ₹ 24.32 crores (2014 - ₹ 36.73 Crores)]	1,073.12	1,435.79
TOTAL	1,073.12	1,435.79

Notes to the Consolidated Financial Statements

	As at 30.06.2015 ₹/Crores	As at 30.06.2014 ₹/Crores
9- Other current liabilities		
Current Maturities of Long-Term Debts (Refer Note 4)	363.98	402.70
Current Maturities of Finance Lease Obligations (Refer Note 4 and 33)	7.45	27.17
Interest Accrued but not due on Borrowings	4.37	2.91
Unpaid Dividends*	2.16	2.66
Deferred Revenue	89.45	107.19
Advances Received from Customers	94.47	209.13
Statutory Dues Payable	65.56	60.81
Employees Benefits Payable	54.06	47.44
Capital Creditors	0.63	7.30
Other Payable	2.55	6.81
TOTAL	684.68	874.12

* There are no amount due and outstanding to be credited to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956. These shall be credited and paid to the Fund as and when due.

	As at 30.06.2015 ₹/Crores	As at 30.06.2014 ₹/Crores
10- Short-term provisions		
Provision for Gratuity and Other Employee Benefits (Refer Note 36)#	11.29	13.18
Provision for Warranty Liability (Refer Note 30)	2.12	4.54
Provision for Income Tax [Net of Advance Income Tax of ₹ 537.09 Crores (2014 - ₹ 563.20 Crores)]	2.97	12.77
TOTAL	16.38	30.49

includes ₹ 5.66 Crores (2014-₹ 6.60 Crores) for provision for leave encashment

Notes to the Consolidated Financial Statements

11- Fixed assets

₹/Crores

Particulars	Gross Block					Depreciation / Amortisation / Impairment					Net Block	
	As at 01.07.2014	Adjustment due to restructuring (refer note 44)	Addition	Disposal	As at 30.06.2015	As at 01.07.2014	Adjustment due to restructuring (refer note 44)	Addition / Impairment	Disposal	As at 30.06.2015	As at 30.06.2015	As at 30.06.2014
Tangible Assets:												
Leasehold Land	89.63	-	-	70.55	19.08	4.81	-	0.22	3.20	1.83	17.25	84.82
Leasehold Improvements	4.63	-	2.02	-	6.65	1.34	-	1.36	-	2.70	3.95	3.29
Freehold Land	7.64	-	-	-	7.64	-	-	-	-	-	7.64	7.64
Buildings	80.14	-	0.64	4.51	76.27	23.30	-	1.70	0.95	24.05	52.22	56.84
Plant and Machinery	51.51	-	1.29	0.27	52.53	23.77	-	9.41	0.18	33.00	19.53	27.74
Furniture and Fixtures	26.65	-	1.20	1.20	26.65	20.78	-	2.44	2.09	21.13	5.52	5.87
Office Equipments	16.79	-	1.61	2.43	15.97	8.76	-	2.34	0.74	10.36	5.61	8.03
Vehicles	2.86	-	4.05	0.24	6.67	1.94	-	0.76	-	2.70	3.97	0.92
Computers	55.26	-	7.43	2.62	60.07	30.69	-	11.88	2.61	39.96	20.11	24.57
Sub-Total (a)	335.11	-	18.24	81.82	271.53	115.39	-	30.11	9.77	135.73	135.80	219.72
Previous Year	431.36	(77.50)	22.27	41.02	335.11	161.06	(71.40)	32.89	7.16	115.39	219.72	
Intangible Assets:												
Goodwill (Refer Note 44)	56.89	-	-	-	56.89	-	-	-	-	-	56.89	56.95
Software	27.31	-	3.82	-	31.13	15.47	-	9.86	-	25.33	5.80	11.84
Intellectual Property Rights	49.11	-	0.54	-	49.65	12.42	-	8.26	-	20.68	28.97	36.69
Goodwill on Consolidation (Refer note 44 and 27)	584.19	-	2.19	-	586.38	8.00	-	-	-	8.00	578.38	576.19
Technical Knowhow	10.56	-	0.39	-	10.95	2.58	-	3.67	-	6.25	4.70	7.98
Sub-Total (b)	728.06	-	6.94	-	735.00	38.47	-	21.79	-	60.26	674.74	689.65
Previous Year	144.55	(32.91)	616.66	0.18	728.12	42.84	(31.74)	27.60	0.23	38.47	689.65	
Total (a+b)											810.54	909.37

Notes:

- Freehold Land and Building at Ambattur amounting to ₹ 0.57 Crores (2014 - ₹ 0.57 Crores) are pending registration in the name of the Company.
- Software comprise cost of acquiring licences and SAP implementation charges.
- Intellectual Property Rights comprise of designing and implementing education content.
- Technical know how comprise of development cost of new technology/products.
- Depreciation and amortisation, during the year, is ₹ 51.90 Crores (2014- ₹ 52.50 Crores)
- Certain land and buildings are included above on revalued amounts of ₹ 8.01 Crores (2014 - ₹ 8.01 Crores), Revaluation was done by external registered valuers after considering the depreciation up to replacement cost/value.

12- Current investments

Non Trade

	As at 30.06.2015			As at 30.06.2014		
	Face Value	Units	Amount ₹/Crores	Face Value	Units	Amount ₹/Crores
Unquoted (Others): Current (At lower of Cost or Fair Value)						
Mutual Funds, Dividend Options						
Kotak Floater Long Term #	₹ 10	24,800,849.18	25.00	₹ 10	24,800,849.18	25.00
Birla Sunlife Savings Fund #	₹ 100	7,485,239.44	74.87	₹ 100	7,485,239.44	74.83
ICICI Prudential Flexible Income Plan - Dividend Payout	-	-	-	₹ 10	2,366,677.93	24.95
Reliance Money Manager Fund #	₹ 1000	498,809.14	49.97	₹ 1000	498,809.14	50.00
Sub - Total (a)			149.84			174.78

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Notes

to the Consolidated Financial Statements

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	As at 30.06.2015			As at 30.06.2014		
	Face Value	Units	Amount ₹/Crores	Face Value	Units	Amount ₹/Crores
Mutual Funds, Growth Options						
Birla Sunlife Savings Fund	₹ 100	549,224	15.00	-	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option	₹ 10	6,171,009	15.00	-	-	-
Kotak Floater Long Term	₹ 10	2,213,065	5.00			
ICICI Prudential Flexible Income Plan	₹ 100	749,081	20.00	-	-	-
Reliance Money Manager Fund	₹ 1000	103,183	20.00			
UTI Treasury Advantage Plan	₹ 1000	25,954	5.00	-	-	-
SBI-SHF Ultra Short Term Fund	₹ 1000	27,410	5.00	-	-	-
Sub - Total (b)			85.00			-
Total Current Investments (a+b)			234.84			174.78

Under lien with bank

Note : Net asset value of Current Investments in Mutual Funds as on June 30, 2015 is ₹ 235.66 Crores (2014 - ₹ 175.13 Crores).

Current Investments is net of provision for diminution in the value of investment ₹ Nil Crores (2014- ₹ 0.08 Crores)

Aggregate amount of Unquoted Investments **234.84** 174.78

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
13- Long-term loans and advances				
Unsecured, considered good:				
Capital Advances		2.22		0.60
Deposits		49.70		42.78
Prepaid Expenses		4.41		5.73
Advance Income Tax		63.57		20.50
[Net of Provision for Income Tax of ₹ 6.62 Crores (2014 - ₹ 6.83 Crores)]				
Other Loans and Advances		0.58		0.48
TOTAL		120.48		70.09
14- Other non-current assets				
Unbilled Revenue		-		0.68
Lease Rental Recoverable (Refer Note 33)	158.52			
Less: Provision for Doubtful Lease Rental Recoverable	5.13	153.39		241.72
TOTAL		153.39		242.40
15- Inventories				
Raw Materials and Components		-		4.37
[Including In-Transit ₹ Nil Crores (2014 - ₹ 0.68 Crores)]				
Work-In-Progress		-		0.02
Finished Goods		1.91		4.95
[Including In-Transit ₹ 0.18 Crores (2014 - ₹ 0.48 Crores)]				
Stock-In-Trade		177.23		343.42
[Including In-Transit ₹ 16.40 Crores (2014 - ₹ 30.43 Crores)]				
Stores and Spares		75.60		82.89
TOTAL		254.74		435.65

Notes to the Consolidated Financial Statements

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
16- Trade receivables				
Unsecured:				
Debts outstanding for a period exceeding six months from the date they are due for payment				
- Considered Good	231.18		323.10	
- Considered Doubtful	157.51		80.17	
Other Debts	388.69		403.27	
- Considered Good	672.79		541.58	
	1,061.48		944.85	
Less: Provision for Doubtful Debts	157.51	903.97	80.17	864.68
TOTAL		903.97		864.68
17- Cash and bank balances				
Cash and Cash Equivalents				
Balances with Banks				
- On Current Account	85.71		194.64	
Less: Money held in Trust	0.01	85.70	0.01	194.63
- On Dividend Account		2.19		2.66
Cash on Hand		0.13		0.12
Cheques on Hand		7.46		11.46
Bank Deposits with original maturity of three months or less	31.20		1.84	
Less: Money held in Trust	0.32	30.88	0.32	1.52
Other Bank Balances				
Bank Deposits with original maturity of more than three months and upto twelve months	3.75		132.66	
Bank Deposits with original maturity of more than twelve months	0.22	3.97	0.32	132.98
On Margin Account		4.08		3.88
TOTAL		134.41		347.25
18- Short-term loans and advances				
Unsecured				
Considered Good				
Balances with Customs, Port Trust, Excise and Sales Tax Authorities		38.83		46.28
Advances to Creditors		60.72		121.12
Deposits with Tax Authorities		0.15		0.16
Other Deposits		19.69		17.11
MAT Credit Entitlement		33.86		15.67
Prepaid Expenses		54.94		57.98
Others (Includes Employee advances, Insurance claim recoverable and Expenses recoverable)		10.54		10.34
Considered Doubtful				
Deposits and Other Advances	9.05		6.79	
Less: Provision for Doubtful Loans and Advances	9.05	-	6.79	-
TOTAL		218.73		268.66

Notes

to the Consolidated Financial Statements

	As at 30.06.2015 ₹/Crores		As at 30.06.2014 ₹/Crores	
19- Other current assets				
Lease Rental Recoverable (Refer Note 33)	106.57		134.40	
Less: Provision for Doubtful Lease Rental Recoverable	3.26	103.31	0.63	133.77
Unbilled revenue		78.57		125.95
Contracts-in-progress (Refer Note 40)		931.96		918.42
Unamortised Premium on Forward Contracts		0.79		3.97
TOTAL		1,114.63		1,182.11
	Year Ended 30.06.2015 ₹/Crores		Year Ended 30.06.2014 ₹/Crores	
20- Revenue from operations				
Sale of Products		4,530.76		6,510.72
Sale of Services		954.67		737.70
Revenue from Composite Contracts (Refer Note 40)		708.96		602.33
Other Operating Revenue				
- Scrap Sale		0.49		0.32
- Miscellaneous Income		25.19		1.37
TOTAL		6,220.07		7,852.44
21- Other income				
Interest Income				
- On Lease Rental		35.12		45.73
- On Fixed Deposits (Gross)		3.80		2.81
- On Bonds from Quoted (Others) Current Investments		-		2.51
- On Others		0.92		5.12
Dividend from Unquoted (Others) Current Investments		9.34		11.22
Profit on Disposal of Unquoted (Others) Current Investments		3.31		20.25
Net Profit/(Loss) on Sale of Fixed Assets		-		0.12
Provisions/Liabilities no longer required written back		3.75		10.57
Miscellaneous Income		8.08		8.68
TOTAL		64.32		107.01
22- Changes in inventories of finished goods, work-in-progress and stock-in-trade				
Closing Stock				
- Finished Goods (Including in Transit)		1.91		4.95
[Including excise duty of ₹ Nil Crores (2014 - ₹ 0.19 Crores)]				
- Stock-In-Trade		177.23		343.42
- Work-In-Progress		-		0.02
		179.14		348.39
Opening Stock				
- Finished Goods (Including in Transit)		4.95		35.66
[Including excise duty of ₹ 0.19 Crores (2014 - ₹ 0.73 Crores)]				
- Stock-In-Trade		343.42		364.09
- Work-In-Progress		0.02		1.96
		348.39		401.71
(Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade		169.25		53.32

Notes to the Consolidated Financial Statements

	Year Ended 30.06.2015 ₹/Crores	Year Ended 30.06.2014 ₹/Crores
23- Other direct expense		
Purchase of Services	307.42	198.75
Spares and Stores Consumed	250.29	155.37
Power and Fuel	0.34	0.60
Labour and Processing Charges	2.02	3.61
Royalty	0.24	45.48
TOTAL	560.31	403.81
24- Employee benefits expense (Refer Note 36)		
Salaries, Wages, Bonus and Gratuity	549.10	540.13
Contribution to Provident and Other Funds	24.86	24.36
Staff Welfare Expenses	8.22	7.41
TOTAL	582.18	571.90
25- Finance costs		
Interest on Long-term and Short-term Borrowings	122.34	115.47
Other Borrowing Costs	20.44	40.57
TOTAL	142.78	156.04
26 - Other expenses		
Rent (Refer Note 33(d)(ii))	41.05	36.31
Rates and Taxes	10.75	26.92
Printing and Stationery	3.29	3.39
Communication	15.16	16.15
Travelling and Conveyance	42.45	51.06
Packing, Freight and Forwarding	29.12	32.73
Legal, Professional and Consultancy Charges	35.16	28.40
Retainership Expenses	40.05	48.52
Training and Conference	2.04	3.90
Office Electricity and Water	11.95	12.47
Insurance	9.67	11.03
Advertisement, Publicity and Entertainment	6.64	38.60
Hire Charges	4.59	3.15
Commission on Sales	0.63	2.37
Bank Charges	11.80	20.64
Provision for Doubtful Debts	86.09	36.25
Provision for Doubtful Loans and Advances	12.19	3.29
Impairment of Intangibles assets under development	-	1.96
Loss on Sale of Fixed Assets	0.18	-
Fixed Assets and Capital Work-In-Progress Written-Off	9.31	1.08
Diminution in the Value of Unquoted/Quoted (Others)	-	1.98
Current Investments		
Repairs		
- Plant and Machinery	1.96	1.96
- Buildings	0.46	1.83
- Others	13.15	11.54
Miscellaneous	37.48	22.38
TOTAL	425.17	417.91

Notes to the Consolidated Financial Statements

27. Exceptional items include :

(₹/Crores)

Particulars	2015	2014
a. Profit on sale of properties	13.91	35.87
b. Profit on sale of Subsidiary	19.63	-
b. Inventory write off due to phasing out of a product line.	(4.60)	(13.50)
c. Impairment of Goodwill (Refer Note 44)	-	(8.00)
Total	28.94	14.37

28. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for amount to ₹ 6.97 Crores (2014 - ₹ 0.99 Crores).

29. a) Contingent Liabilities:

Claims against the Group not acknowledged as debts:

	2015 ₹/Crores	2014 ₹/Crores
Sales Tax*	151.86	48.10
Excise*	96.72	14.05
Income Tax*	5.44	2.95
Industrial Disputes, Civil Suits and Consumer Disputes	86.38	14.64

* Includes sum of ₹ 24.53 Crores (2014 - ₹ 15.91 Crores) deposited by the Group against the above.

The amounts shown in item (a) represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the out come of the different legal processes which have been initiated by the Group or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

29. b) Other Litigation

- (i) During the year, the Company has been named in a supplementary charge sheet filed with the Court with respect to a Contract awarded to the Company in 2009 by the UP state Government, amounting to ₹ 4.94 Crores, for the supply of computer hardware and related services under the National Rural Health Mission and summons have been issued by the Court. The Matter is currently pending adjudication before the Supreme Court through Special Leave Petition filed by the Company. The Management is of the view that the Company has not been engaged in any wrong doing.
- (ii) The Company has certain Sales tax and other litigation of ₹ 13.74 Crores (2014 - ₹ 14.06 Crores), against which provisions have been made. Provision of ₹ 0.31 Crores utilised during the year.

30. The Group has the following provision for warranty in the books of accounts:

	2015 ₹/Crores	2014 ₹/Crores
Opening Balance as on July 1	4.54	11.01
Additions during the year	2.10	12.61
Utilised/Reversed during the year	4.52	19.08
Closing Balance as on June 30	2.12	4.54

The warranty provision has been recognised for expected warranty claims for the first year of warranty on products sold during the year. Due to the very nature of such costs, Outflows of economic benefits against this provision is expected to happen with in one year.

Notes to the Consolidated Financial Statements

31. Taxation

- a) Provision for taxation has been computed by applying the Income Tax Act, 1961 and other relevant tax regulations in the jurisdiction where the Group conducts the business to the profit for the financial year ended June 30, 2015, although the actual tax liability of the Group has to be computed each year by reference to taxable profit for each fiscal year ended March 31. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

- b) Deferred Tax:

Major components of Deferred tax arising on account of timing difference along with their movement as at June 30, 2015 are:

	As at 01.07.14	Movement during the year	As at 30.06.15
₹/Crores			
Assets			
Provision for Doubtful Debts/Advances/Other Current Assets	5.99	(5.52)	0.47
Impact of expenditure charged to Statement of Consolidated profit and loss but allowable for tax purpose in future years	4.48	(4.09)	0.39
Other timing differences			0.00
Taxable losses and unabsorbed tax depreciation allowable in future years	0.55	(0.98)	(0.43)
Total (A)	11.02	(10.59)	0.43
Liabilities			
Difference between WDV of fixed assets as per books and under Income tax Act, 1961	5.87	(4.94)	0.93
Other timing differences	0.03	(0.03)	-
Total (B)	5.90	(4.97)	0.93
Net Deferred Tax Assets (A)-(B)	5.12	(5.62)	(0.50)
Deferred tax liabilities after set-off	0.51	0.42	0.93
Deferred tax assets after set-off	5.63	(5.20)	0.43

32. Employee Stock Option Plan (ESOP):

The Company has established Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005, for a total grant of 31,90,200 and 33,35,487 options have been set aside respectively for the employees of the Company and its subsidiaries. These options vest on a graded basis over a period of 42 and 60 months respectively from the date of grant and are to be exercised within a maximum period of 5 years from the date of vesting.

The Board of Directors/Committee approves the grant of options, including the grant of options that lapse out of each grant.

Each option of ₹ 10/- confers on the employee a right to five equity shares of ₹ 2/- each.

Exercise price is market price as specified in the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI").

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Notes to the Consolidated Financial Statements

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Details of Grants made under Employee Stock Option Scheme 2000

Date of Grant	Exercise price of the option for five equity shares of ₹ 2/- each	Options outstanding at the beginning of the year	Options granted during the year	Options forfeited during the year	Options exercised during the year	Options expired during the year	Options outstanding at the end of the year	Options exercisable at the end of the year
18-Jan-05	809.85	-	-	-	-	-	-	-
		64,204.00	-	-	-	64,204.00	-	-
15-Mar-05	834.40	-	-	-	-	-	-	-
		9,148.00	-	-	-	9,148.00	-	-
15-Apr-05	789.85	0	-	-	-	0	-	-
		(880)	(-)	(-)	(-)	(880)	(-)	(-)
14-May-05	770.15	-	-	-	-	-	-	-
		(1,180)	(-)	(-)	(-)	(1180)	(-)	(-)
13-Aug-05	1,144.00	-	-	-	-	-	-	-
		(4,492)	(-)	(-)	(-)	(4,492)	(-)	(-)
15-Sep-05	1,271.25	-	-	-	-	-	-	-
		(3,016)	(-)	(-)	(-)	(3,016)	(-)	(-)
15-Mar-07	648.75	52,800	-	-	-	3,600	49,200	49,200
		(95,200)	(-)	(-)	(-)	(42400)	(52,800)	(52,800)
23-Jan-08	898.25	17,232	-	-	-	9,634	7,598	7,598
		(36,900)	(-)	(-)	(-)	(19,668)	(17,232)	(17,232)
18-Aug-09	627.25	20,000	-	-	-	20,000	-	-
		(20,000)	(-)	(-)	(-)	(-)	(20,000)	(20,000)
26-Oct-10	586.75	60,000	-	-	-	60,000	-	-
		(60,000)	(-)	(-)	(-)	(-)	(60,000)	(60,000)
2-Feb-11	516.50	-	-	-	-	-	-	-
		(12,000)	(-)	(4800)	(-)	(7200)	(-)	(-)
30-Jan-12	233.25	6,000	-	-	-	-	6,000	3,600
		(16,000)	(-)	(7000)	(-)	(3,000)	(6,000)	(3600)
18-Jun-12	202.00	-	-	-	-	-	-	-
		(12,000)	(-)	(8400)	(-)	(3,600)	(-)	(-)
9-Sep-13	132.00	10,000	-	-	3,000	-	7,000	-
		(-)	(10,000)	(-)	(-)	(-)	(10,000)	(-)
18-Sep-2014	380	0	15,000	0	0	0	15,000	0
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
21-Nov-2014	363.75	0	10,000	0	0	0	10,000	0
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total		166,032	25,000	0	3,000	93,234	94,798	60,398
		(335,020)	(10,000)	(20,200)	(-)	(158,788)	(166,032)	(153,632)

Note: Previous year's figures are given in brackets.

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Notes to the Consolidated Financial Statements

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Details of Grants made under Employee Stock Based Compensation Plan 2005

Date of Grant	Exercise price of the option for five equity shares of ₹ 2/- each	Options outstanding at the beginning of the year	Options granted during the year	Options forfeited during the year	Options exercised during the year	Options expired during the year	Options outstanding at the end of the year	Options exercisable at the end of the year
13-Aug-05	1,144.00	448,776	-	-	-	260,078	188,698	188,698
		(827,378)	(-)	(-)	(-)	(378,602)	(448,776)	(448,776)
19-Oct-05	1,157.50	7,336	-	-	-	4,138	3,198	3,198
		(17,190)	(-)	(-)	(-)	(9,854)	(7,336)	(7,336)
15-Nov-05	1,267.75	2,580	-	-	-	1,510	1,070	1,070
		(4,830)	(-)	(-)	(-)	(2,250)	(2,580)	(2,580)
15-Dec-05	1,348.25	1,540	-	-	-	1,070	470	470
		(2,760)	(-)	(-)	(-)	(1,220)	(1,540)	(1,540)
14-Jan-06	1,300.00	680	-	-	-	340	340	340
		(4,068)	(-)	(-)	(-)	(3,388)	(680)	(680)
15-Feb-06	1,308.00	560	-	-	-	280	280	280
		(1,944)	(-)	(-)	(-)	(1,384)	(560)	(560)
16-Mar-06	1,031.00	1,680	-	-	-	990	690	690
		(4,410)	(-)	(-)	(-)	(2,730)	(1,680)	(1,680)
17-Apr-06	868.75	320	-	-	-	160	160	160
		(1,740)	(-)	(-)	(-)	(1,420)	(320)	(320)
15-May-06	842.50	2,020	-	-	-	1,210	810	810
		(4,110)	(-)	(-)	(-)	(2,090)	(2,020)	(2,020)
15-Jun-06	620.50	1,720	-	-	-	860	860	860
		(4,380)	(-)	(-)	(-)	(2,660)	(1,720)	(1,720)
17-Jul-06	673.75	2,250	-	-	-	1,630	620	620
		(4,112)	(-)	(-)	(-)	(1,862)	(2,250)	(2,250)
15-Mar-07	648.75	142,440	-	-	-	63,600	78,840	78,840
		(218,400)	(-)	(-)	(-)	(75,960)	(142,440)	(142,440)
23-Jan-08	898.25	42,720	-	-	-	24,135	18,585	18,585
		(97,125)	(-)	(-)	(-)	(54,405)	(42,720)	(42,720)
16-Aug-11	375.00	18,000	-	4,000	-	14,000	-	-
		(30000)	(-)	(12000)	(-)	(-)	(18,000)	(12,000)
17-Aug-11	375.00	7,000	-	-	-	-	7,000	4,200
		(7000)	(-)	(-)	(-)	(-)	(7,000)	(2,800)
18-Jun-12	202.00	-	-	-	-	-	-	-
		(4000)	(-)	(3200)	(-)	(800)	(-)	(-)
30-Jan-13	186.00	20000	-	-	-	-	20,000	8,000
		(20000)	(-)	(-)	(-)	(-)	(20000)	(4,000)
14-Feb-13	178.00	-	-	-	-	-	-	-
		(8000)	(-)	(8000)	(-)	(-)	(-)	(-)
10-May-13	187.00	10,000	-	8,000	2,000	-	-	-
		(10000)	(-)	(-)	(-)	(-)	(10000)	(2,000)
Total		709,622	0	12,000	2,000	374,001	321,621	306,821
		(1,271,447)	(-)	(23,200)	(-)	(538,625)	(709,622)	(675,422)

Note: Previous year's figures are given in brackets.

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Notes to the Consolidated Financial Statements

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Assumptions

The fair value of each stock option granted under Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005 as on the date of grant has been computed using Black-Scholes Option Pricing Formula and the model inputs are given as under:

	Employee Stock Option Scheme 2000	Employee Stock Based Compensation Plan 2005
Volatility	31% to 54%	31% to 65%
Risk free rate	7.28% to 8.27%	7.28% to 8.35%
Exercise Price	₹ 132.00 to ₹ 1,271.25	₹ 178.00 to ₹ 1,348.20
Time to Maturity (years)	2.20 to 5.50	2.50 to 7.00
Dividend Yield	0% to 32%	0% to 37%
Life of options	8.5 Years	10 Years
Fair Value of options as at the grant date	₹ 1.69 to ₹ 196.18	₹ 0.00 to ₹ 268.16

Notes:

1. Volatility: Based on historical volatility in the share price movement of the Company.
2. Risk Free Rate: Being the interest rate applicable for maturity equal to the expected life of options based on yield curve for Government Securities.
3. Time to Maturity: Vesting period and volatility of the underlying equity shares have been considered for estimation.
4. Dividend Yield: Based on historical dividend payouts.

The impact on the profit of the Group for the year ended June 30, 2015 and the basic and diluted earnings per share had the Group followed the fair value method of accounting for stock options is set out below:

Proforma Disclosures

	2015 ₹/Crores	2014 ₹/Crores
Profit/(Loss) after tax as per Statement of Profit and Loss [Net of Minority Interest] (a)	(184.71)	(214.52)
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	-	-
Less: Employee Stock Compensation Expense as per Fair Value Method	0.12	0.04
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)*	(184.83)	(214.56)
Earning/(Loss) Per Share based on earnings as per (a) above: (Refer Note 34)		
- Basic	(₹ 8.29)	(₹ 9.62)
- Diluted	(₹ 8.29)	(₹ 9.62)
Earning/(Loss) Per Share had fair value method been employed for accounting of employee stock options:		
- Basic	(₹ 8.29)	(₹ 9.63)
- Diluted	(₹ 8.29)	(₹ 9.63)

* Excludes impact on tax expense of employee stock compensation expense.

33. Leases:

a) Finance Leases:

As Lessor:

- (i) The Group has given on finance lease certain assets/inventories which comprise of computers, radio terminals and office equipments, etc. These leases have a primary period, which is fixed and non-cancelable. There are no exceptional/restrictive covenants in the lease agreements.

Notes to the Consolidated Financial Statements

- (ii) The gross investment in the assets given on finance leases as at June 30, 2015 and its present value as at that date are as follows:

	Total minimum lease receivable ₹/Crores	Interest included in minimum lease receivable ₹/Crores	Present value of minimum lease receivable ₹/Crores
Not later than one year	125.20 (145.34)	23.55 (33.70)	101.65 (111.63)
Later than one year and not later than five years	171.70 (272.30)	18.49 (39.85)	153.21 (232.45)
Total	296.90 (417.64)	42.04 (73.55)	254.86 (344.08)

Note: Previous year's figures are given in brackets.

b) Sale and Leaseback and further sub-lease on finance lease basis

- (i) The Group has entered into transaction of sale and leaseback on finance lease basis and further sub-lease on finance lease basis for certain assets/inventories which comprise of computer systems and other related products. These leases have a primary period, which is fixed and non-cancelable. There are no exceptional/restrictive covenants in these lease agreements.
- (ii) Details of minimum lease payments and minimum sub-lease receivables as at June 30, 2015 and its present value as at that date are as follows:

	Payable on sale and leaseback			Receivable on sub-lease		
	Total minimum lease payable ₹/Crores	Interest included in minimum lease payable ₹/Crores	Present value of minimum lease payable ₹/Crores	Total minimum lease receivable ₹/Crores	Interest included in minimum lease receivable ₹/Crores	Present value of minimum lease receivable ₹/Crores
Not later than one year	6.76 (26.61)	1.67 (3.81)	5.09 (22.80)	5.74 (25.47)	0.82 (2.71)	4.92 (22.77)
Later than one year and not later than five years	11.38 (18.14)	1.59 (2.91)	9.79 (15.23)	6.16 (10.89)	0.85 (1.62)	5.31 (9.27)
Total	18.14 (44.75)	3.26 (6.72)	14.88 (38.03)	11.90 (36.36)	1.67 (4.33)	10.23 (32.04)

Note: Previous year's figures are given in brackets.

c) Sale and Leaseback

As Lessee:

	Total minimum lease payable ₹/Crores	Interest included in minimum lease payable ₹/Crores	Present value of minimum lease payable ₹/Crores
Not later than one year	2.46 (4.90)	0.10 (0.53)	2.36 (4.37)
Later than one year and not later than five years	- (2.46)	- (0.10)	- (2.36)
Total	2.46 (7.36)	0.10 (0.63)	2.36 (6.73)

Notes to the Consolidated Financial Statements

d) Cancelable Operating Leases

As Lessee:

- (i) The Group has taken various residential/commercial premises under cancelable operating leases. These leases are for a period of eleven months to three years and are normally renewable on expiry.
- (ii) The rental expense in respect of operating leases is ₹ 41.05 Crores (2014 - ₹ 36.31 Crores) which is disclosed as Rent expense under 'Other expenses'.

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of building and office automation products i.e. photocopying machines given on operating lease are as below:

	2015 ₹/Crores	2014 ₹/Crores
Gross Block	39.07	38.06
Accumulated Depreciation	18.35	11.23
Net Block	20.72	26.83
Depreciation Expense	7.11	5.92

e) Non-Cancelable Operating Leases

As Lessee:

The Group has taken computers and furniture and fixtures on non-cancelable operating leases the future minimum lease payments in respect of which are:

	2015 ₹/Crores	2014 ₹/Crores
Not later than one year	1.55	0.23
Later than one year and not later than five years	2.18	-
Total	3.73	0.23

34. Earnings per share (EPS)

Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year. The earnings considered in ascertaining the Group's EPS represent profit/(loss) for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Calculation of EPS:

Particulars	2015 ₹/Crores	2014 ₹/Crores
(Loss) after tax (₹/Crores)	(184.71)	(214.51)
Weighted average number of shares considered as outstanding in computation of Basic EPS	222,893,163	222,879,629
Weighted average number of shares outstanding in computation of Diluted EPS	222,893,163	222,879,629
Basic EPS (of ₹ 2/- each)	(₹ 8.29)	(₹ 9.62)
Diluted EPS (of ₹ 2/- each)	(₹ 8.29)	(₹ 9.62)

Notes to the Consolidated Financial Statements

35. Segment Reporting

The nature and the business of primary Segments are as below:

- Hardware Products and Solutions business comprises (a) Sale of IT products & solutions to enterprises and government customers (b) Sale of HCL branded products to enterprises and government customers including sale of consumers through channel partners.
- The Services business provides IT infrastructure managed services, multi vendor technical support, under break-fix services, cloud services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services.
- Learning business includes training services and sale of educational digital content and related Hardware offerings for private schools, colleges and other education institutes and vocational training.
- The distribution segment consist of distribution of (a) consumer products including telecommunication, other digital lifestyle products and consumer electronic & home appliances (b) enterprise products including IT products enterprise software and Office Automation products.

Details of secondary segments are not disclosed as more than 90% of the Company's revenues, results and assets relate to the domestic market.

Consolidated Segment wise performance for the year ended June 30, 2015

₹/Crores

Primary Segments	Hardware Products & Solutions	Services	Distribution	Learning	Internet & Related Services (Discontinued Operations)	Inter-segment Elimination	Total
(i) Revenue							
External Revenue	956.27 (1841.77)	893.13 (693.37)	4,317.05 (5,251.38)	28.43 (65.92)			6,194.88 (7,852.44)
Inter-segment Revenue	1.30 (162.36)	55.42 (52.36)	56.44 (81.87)	4.63 (0.68)		-117.79 (-297.27)	0.00 (0.00)
Total Gross Revenue	957.57 (2004.13)	948.55 (745.73)	4,373.49 (5,333.25)	33.06 (66.60)	0.00	-117.79 (-297.27)	6,194.88 (7,852.44)
Less: Excise Duty	- (4.13)	-	-	-			0.00 (4.13)
Total Net Revenue	956.27 (1837.64)	893.13 (693.37)	4,317.05 (5,251.38)	28.43 (65.92)	0.00	0.00	6,194.88 (7,848.31)
(ii) Results	-100.63 (-210.58)	-10.15 (55.73)	74.35 (86.28)	-29.34 (-14.85)			-65.77 (-83.42)
Less: Unallocable Expenditure							54.55 (54.64)
Operating Profit							-120.32 (-138.06)
Add: Other Income (Excluding Operational Income)							60.57 (93.91)
Less: Finance Charges							142.78 (156.04)
Profit/(Loss) before exceptional and extraordinary items and tax							-202.53 (-200.19)
Exceptional items							-28.94 (-14.37)

Notes

to the Consolidated Financial Statements

Primary Segments	Hardware Products & Solutions	Services	Distribution	Learning	Internet & Related Services (Discontinued Operations)	Inter- segment Elimination	Total
Profit/(Loss) before tax							-173.59
							(-185.82)
Less: Tax Expense							11.12
							(28.70)
Profit After Tax							-184.71
							(-214.52)
(iii) Segment Assets	1,594.03	474.93	465.22	39.32			2,573.49
	(1,898.56)	(523.08)	(469.85)	(70.95)			(2,962.44)
Unallocated Corporate Assets							
a) Liquid Assets							269.67
							(309.51)
b) Others							1,103.83
							(1,239.08)
Total Assets							3,947.00
							(4,511.03)
(iv) Segment Liabilities	665.78	255.62	425.79	22.97			1,370.16
	(1,067.66)	(274.71)	(549.12)	(46.27)			(1,937.76)
Unallocated Corporate Liabilities							
							68.09
							(18.34)
Total Liabilities							1,438.25
							(1,956.10)
(v) Capital Expenditure (allocable)	5.43	13.54	1.35	0.52			20.84
	(12.38)	(5.16)	(0.52)	(4.23)	(0.00)	(0.00)	(22.29)
Capital Expenditure (unallocable)							2.09
							(10.31)
(vi) Depreciation	14.63	23.84	0.79	8.07			47.32
	(14.97)	(23.55)	(0.59)	(7.87)	(0.00)		(46.98)
Depreciation (unallocable)							4.58
							(5.52)
(vii) Other Non Cash Expenses (allocable)	70.46	19.41	2.13	13.67			105.66
	(30.96)	(3.78)	(3.34)	(3.96)	(0.00)		(42.04)
Other Non Cash Expenses (unallocable)							2.19
							(0.54)

Note: Previous year's figures are given in brackets.

Segment Results include ₹ 3.75 crores (2014 -Rs 13.10 crores) of certain Operating other income which is included in 'Other income' in the Statement of Profit and Loss.

36. The Group has calculated the various benefits provided to employees as under:
(a) Defined Contribution
(i) Superannuation Fund

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

	2015 ₹/Crores	2014 ₹/Crores
Employers Contribution to Superannuation Fund*	1.47	1.97

(b) State Plans
(i) Employee State Insurance
(ii) Employee's Pension Scheme 1995

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

	2015 ₹/Crores	2014 ₹/Crores
Employers contribution to Employee State Insurance*	3.47	7.10
Employers contribution to Employee's Pension Scheme 1995*	12.81	7.07

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Refer Note 24).

(c) Defined Benefit
(i) Gratuity
(ii) Provident Fund#

The Company contributes to the employee provident fund trust "Hindustan Computers Limited Employees Provident Fund Trust" which is managed by the Company. The Company's Provident Fund Trust is exempted under Section 17 of Employees' Provident Fund Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. As per guidance note on AS – 15, Employee Benefits (Revised 2005), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The Trust includes employees of the Company as well as of its Indian wholly owned subsidiaries and of HCL Corporation Private Limited, a related party. In view of the same, it is a multi employer defined benefit plan.

The Trust has been investing the Provident fund contributions of the employees of all the six companies in a composite manner and the same cannot be separately identified entity wise.

In view of the same an actuarial valuation, in accordance with the AS-15 (Revised), was carried out at composite level. As per actuarial certificate there is no shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the "liability on account of interest rate guarantee" is nil."

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

	Gratuity		Provident Fund	
	2015	2014	2015	2014
Discount rate (per annum)	8.00%	8.50%	8.75%	8.75%
Rate of increase in compensation levels	6.00%	6.00%	Not Applicable	Not Applicable
Rate of return on plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Expected statutory interest rate	Not Applicable	Not Applicable	8.75%	8.75%
Expected short fall in interest earnings	Not Applicable	Not Applicable	0.05%	0.05%
Expected average remaining working lives of employees (years)	19.74	20.13	19.74	20.13

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes to the Consolidated Financial Statements

	2015		2014	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present value of obligation at the beginning of the year	22.07	169.36	22.07	152.84
Current service cost	0.91	7.11	2.20	8.22
Past service cost	-	-	-	-
Interest cost	1.32	13.55	1.55	13.37
Actuarial (gain)/loss	3.78	(9.11)	(0.84)	(0.16)
Benefits (paid)	(7.97)	(36.07)	(5.10)	(27.55)
Settlements/transfer In	-	5.23	-	4.66
Contribution by plan participants	-	17.37	-	17.98
Present value of obligation at the end of the year	20.10	167.44	22.07	169.36

	2015	2014
	Provident Fund	Provident Fund
Reconciliation of opening and closing fair value of plan assets:		
Fair value of plan assets at the beginning of the year	169.62	152.85
Expected Return on Plan Assets	14.84	13.38
Employer Contribution	7.11	8.22
Settlements/Transfer In	5.23	4.65
Employee Contribution	17.37	17.98
Benefit Paid	(36.07)	(27.55)
Actuarial gain/(loss) on Plan Assets	(0.41)	0.09
Fair value of plan assets at the end of the year	178.10	169.62

Cost recognised for the year:	2015		2014	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current service cost	0.91	-	2.20	-
Company contribution to Provident Fund	-	7.11	-	8.22
Past service cost	-	-	-	-
Interest cost	1.32	-	1.51	-
Actuarial (gain)/loss	3.78	-	(0.84)	-
Interest guarantee liability	-	-	-	-
Shortfall in fund	-	-	-	-
Net cost recognised for the year*	6.00	7.11	2.87	8.22

* Included in Salaries, Wages, Bonus and Gratuity for Gratuity and Contribution to Provident and Other Funds for Provident Fund under Employee benefits expense (Refer Note 24).

In the absence of the relevant information from the Actuary, the above details do not include the composition of Plan assets.

Notes to the Consolidated Financial Statements

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets: (₹/Crores)

	Gratuity				
	2015	2014	2013	2012	2011
Present value of the obligation as at the end of the year	20.10	19.84	22.07	22.81	22.22
Fair value of plan assets at the end of the year	-	-	-	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(20.10)	(19.84)	(22.07)	(22.81)	(22.22)
Experience adjustment in plan liabilities	(3.78)	(0.84)	0.16	0.03	3.90
Experience adjustment in plan assets	-	-	-	-	-
	Provident Fund				
	2015	2014	2013	2012	2011
Present value of the obligation as at the end of the year	(167.44)	(169.36)	(152.84)	(140.49)	(123.64)
Fair value of plan assets at the end of the year	178.10	169.62	152.85	141.86	122.64
Assets/(Liabilities) recognised in the Balance Sheet	_***	_***	_***	_***	(1.00)
Expected Contribution to the Provident fund in the next year	7.82	9.04	8.18	7.72	-

** As there is surplus, the same has not been recognised in Balance Sheet.

- 37.** The Company remits the dividends to its non resident shareholders in Indian Rupees.
- 38.** Pursuant to the approval of the shareholders and in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company has:
- On receipt of 25% subscription money, allotted 2,10,59,515 warrants priced at ₹ 152.90 per warrant to certain promoters on a preferential basis on October 7, 2009. Subsequently, 1,64,38,848 warrants have been converted into equal number of equity shares of ₹ 2/- each on October 29, 2009 and 46,20,667 on April 5, 2011 on receipt of the balance 75% subscription money.
 - Raised ₹ 472.67 Crores by allotment of 3,05,55,713 equity shares of ₹ 2/- each at a price of ₹ 154.69 per equity share including a premium of ₹ 152.69 per equity share through Qualified Institutional Placement on October 21, 2009.

The funds raised through above issues have been utilised as under:

Particulars	As at June 30, 2015 (₹/Crores)	As at June 30, 2014 (₹/Crores)
Gross Proceeds		
- Preferential Issue	322.00	322.00
- Qualified Institutions Placement	472.67	472.67
Less: Share Expenses incurred adjusted with Securities Premium Account during the year	(14.55)	(14.55)
Net Proceeds	780.12	780.12
Utilisation towards		
- Capital expenditure	122.29	122.29
- Acquisition/Expansion of existing Business	62.48	49.83
- Working Capital	595.35	571.00
Total Utilisation	780.12	743.12
Unutilised		
Currently held in Unquoted (Others)		
Current Investments	-	37.00
Total Unutilised	-	37.00

Notes to the Consolidated Financial Statements

39. The results of HCL Infosystems South Africa Pty. Limited, HCL Touch Inc. and Nokia HCL Mobile Internet Services Limited, a joint venture with Nokia Corporation, Finland have been taken on the basis of unaudited financial statements for the financial year ended June 30, 2015. It is unlikely that the audited results would be materially different from the unaudited results.

40. Contracts-in-progress	As at June 30, 2015 (₹/Crores)	As at June 30, 2014 (₹/Crores)
Revenue from Composite Contracts recognised for the period	708.96	602.33
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the period ended	4,604.94	4,007.14
The amount of advances received	34.18	143.01
Gross amount due from customers for contracts-in-progress	1,193.08	1,067.05
Gross amount due to customers for contracts-in-progress	261.12	148.63

41. Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Corporation Private Limited

b) Others (Enterprises over which, individual having indirect significant influence over the company, has significant influence) and with whom transactions have taken place during the year and/or where balances exist:

HCL Technologies Limited

HCL Comnet Limited

HCL Comnet Systems and Services Limited

HCL Avas Private Ltd

HCL Talent Care Pvt. Ltd.

Shiv Nadar Foundation

SSN Trust

Vama Sundari Investments (Pondi) Pvt Limited

RMA Software Park Private Limited (with effect from September 24, 2014)

c) Key Management Personnel:

Mr. Harshavardhan Madhav Chitale (Resigned as director with effect from December 31, 2014.)

Mr. J.V. Ramamurthy (Resigned as director with effect from March 21, 2014)

Mr. Sandeep Kanwar (Resigned as CFO with effect from March 31, 2015)

Mr. Premkumar Sheshadri* (Executive Vice Chairman & Managing Director with effect from January 1, 2015)

Mr. SG Murali (Group CFO with effect from April 1, 2015)

Mr Sushil Jain (Company Secretary)

*Remuneration has been paid by HCL Corporation Private Limited

Notes to the Consolidated Financial Statements

d) Summary of Consolidated Related Party disclosures:

Note: All transactions with related parties have been entered into in the normal course of business.

(₹/Crores)

A. Transactions	Company having substantial interest		Others		Key Management Personnel		Total	
	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14
Sales and Related Income	0.19	0.01	14.20	97.68			14.39	97.69
- HCL Technologies Limited			11.87	90.17				
- HCL Comnet Limited			0.03	4.65				
- HCL Talent Care Private Limited			1.43	-				
Services	0.02	-	9.08	4.65			9.10	4.65
- HCL Technologies Limited			8.27	2.29				
- HCL BPO Services (NI) Limited			-	1.24				
- HCL Comnet Limited			0.30	0.77				
Purchase of Services			6.92	4.52			6.92	9.69
- HCL Technologies Limited			6.92	4.52				
Purchase of Goods			166.91	5.17			166.91	5.17
- HCL Technologies Limited			157.85	5.17				
- HCL Comnet Limited			9.06	-				
Sale of Subsidiary			40.74	-				
- Vama Sundari Investments (Pondii) Pvt Limited			40.74	-				
Loans and Advances Refunded/Adjusted			37.62	-			37.62	-
- RMA Software Park Private Limited			37.62	-				
Security Deposit Received			4.81	-			4.81	-
- HCL Talent Care Pvt Ltd			4.81	-				
Remuneration					3.60	5.05	3.60	5.05
- Mr. Harsh Chitale					1.15	2.09		
- Mr. J.V. Ramamurthy					-	0.74		
- Mr. Sandeep Kanwar					1.24	1.74		
- Mr. S.G. Murali					0.47	-		
- Mr.Sushil Jain					0.45	0.48		
Reimbursements towards expenditure								
a) Received			2.25	0.83			2.25	0.83
- HCL Technologies Limited			2.25	0.83				
b) Made	-	-	-	0.65			-	0.65
- HCL Technologies Limited			-	0.65				
B. Amount due to/from related parties								
Trade Receivables	0.04	-	16.41	28.35			16.45	28.35
Other Recoverables	-	-	0.11	0.13			0.11	0.13
Trade Payables	0.05	0.08	152.53	22.07			152.58	22.15
Other Payables			4.81	-			4.81	-

42. a) Derivative Instruments outstanding at the Balance Sheet date:

The Group has following outstanding derivative as at the reporting date:

Particulars	Foreign Currency		Average Rate		Maximum Maturity	Period
	Value / Crores					
	2015	2014	2014	2013	2014	2013
Forward Contracts to buy USD	\$0.76	\$3.59	65.45	63.16	8 Months	11 Months

The above derivatives have been undertaken to hedge the foreign currency exposures on Import/Royalty payables as at June 30, 2015.

Notes to the Consolidated Financial Statements

- b) As on June 30, 2015, the foreign currency exposure that is not hedged by a derivative instrument or otherwise in respect of Trade Payables are ₹ 21.13 Crores (2014 - ₹ 40.04 Crores) and in respect of Trade Receivables are ₹ 12.54 Crores (2014 - ₹ 26.80 Crores).
- c) Mark-to-Market Losses provided for June 30, 2015 of ₹ 0.03 Crores (2014 - ₹ Nil Crores).
- d) The unaccrued forward exchange cover as on June 30, 2015 of ₹ 0.79 Crores (2014 - ₹ 3.71 Crores) has been included under 'Other current assets' and as 'Unamortised Premium on Forwards Contracts'.
- e) Pursuant to notification u/s 211(3C) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs on December 29, 2011, the Company has opted to accumulate the exchange difference arising on translation of foreign currency items having a term of 12 months or more and amortise such exchange difference over the period of the item. Accordingly, a gain of ₹ 0.01 Crores (2014 - loss of ₹ 0.31 Crores) stands deferred as at June 30, 2015.

43. The Group has an interest in the following jointly controlled entity:

Name of the Company	Shareholding	Incorporated in
Nokia HCL Mobile Internet Services Limited	49%	India

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Group in the above jointly controlled entities are given hereunder:

Particulars	(₹/Crores)	
	Year ended June 30, 2015	Year ended June 30, 2014
Revenue from operations	0.16	0.56
Other income	(0.03)	0.10
Total	0.13	0.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.23	0.70
Other expenses	0.03	0.06
Total	0.25	0.76
Profit/(Loss) before tax	(0.12)	(0.10)

Particulars	As at	
	June 30, 2015	June 30, 2014
Liabilities		
Trade payables	0.74	0.83
Other Current Liabilities	0.00	0.05
Total Liabilities	0.74	0.88
Assets		
Trade receivables	0.12	0.30
Cash and bank balances	0.15	0.17
Other Non Current assets	-	0.10
Short-term loans and advances	0.14	0.25
Total Assets	0.41	0.82

44. The Hon'ble High Court of Delhi sanctioned a Composite Scheme of Arrangement (the "Scheme") applicable from 1st January, 2013 between the Company and its wholly owned subsidiaries namely HCL Infotech Limited (formerly known as HCL System Integration Limited), HCL Services Limited (formerly known as HCL Care Limited) and HCL Learning Limited (collectively the "Transferee Companies") and HCL Infocom Ltd and their respective shareholders and creditors under the provisions of section 391 to 394 of the Companies Act, 1956, vide its order dated September 18, 2013 received on October 30, 2013. The Scheme became effective from November 1, 2013 on filing a certified copy of the High Court order with the office of the Registrar of the Companies, NCT of Delhi & Haryana and is applicable from January 1, 2013 (the "Appointed date"). According to the Scheme, as on 1st January, 2013, the Hardware Solutions Business, Services Business and Learning Business (collectively the "Transferred Undertakings") of the Company stand transferred to HCL Infotech Limited, HCL Services Limited and HCL Learning Limited (collectively the "Transferee Companies") respectively, the wholly owned subsidiaries. Also with effect from the appointed date, HCL Infocom Limited has been merged with the Company.

Notes to the Consolidated Financial Statements

As detailed in the scheme, the Company transferred net assets as on 1st January, 2013 having book value of ₹ 1118.13 cr. for Hardware Solution Business to HCL Infotech Limited for Nil Consideration, net assets having book value of ₹ 79.31 cr. for Services business to HCL Services Ltd for a consideration of ₹ 61 crores and net assets having book value of ₹ 111.84 cr. of Learning business to HCL Learning Limited at a consideration of ₹ 113 crores. On such transfers, ₹1,135.28 crores, being the difference of the net assets transferred and the consideration received was debited to Business Restructuring Reserve, on merger of HCL Infocom Ltd ₹ 959.48 crores, being the difference between fair value of net assets and the Company's investment in HCL Infocom Limited, was credited to capital reserve, and the Business restructuring reserve so arising was adjusted from capital reserve ₹ 959.48 crores and from Securities Premium account ₹175.80 crores.

The Fair values as at December 31, 2012 of the transferred undertakings and assets/liabilities recorded by the transferee companies as at appointed date, were determined by the independent valuer appointed by the Company.

In accordance with the Scheme, the Company continued to carry on the business and activities in relation to the Transferred Undertakings on account of and in trust for the respective Transferee Companies from January 1, 2013 (the "Appointed date") till November 1, 2013 (the "Effective date"). Subsequent to the effective date.

Pursuant to this, the Company transferred the profits/ (loss), attributable to the Transferred Undertakings for the period from Appointed date and up to June 30, 2013, by adjusting through 'Surplus in the Statement of Profit and Loss'. These profits/ (loss), after adjusting consequential impact on profits/ (loss) arising from difference between fair values and historical values of assets and liabilities, were recorded by the Transferee Companies in the 'Surplus in Statement of Profit and Loss' in reserves and surplus.

The Company is in the process of entering into novation agreements with the relevant third parties, including customers and vendors, pertaining to the Transferee Companies. These financial, do not include results/ assets and liabilities pertaining to the transactions subsequent to the effective date executed by the Company on trust and benefit of HCL Infotech Limited pending entering into novation agreements with the respective parties.

The assets and liabilities pertaining to the Hardware Solutions Business Undertaking were recorded by HCL Infotech Limited, at the respective fair values as on 31st December, 2012. The excess of assets over liabilities amounting to ₹ 410.64 cr was credited as Capital Reserve in the books of HCL Infotech Limited.

For HCL Services Limited and HCL Learning Limited, the assets and liabilities of the Service Business Undertaking and Learning Business Undertaking, respectively, were recorded by allocating the consideration to the respective assets and liabilities based upon the fair values as on 31st December, 2012. The excess of the consideration paid over the aggregate fair values of the assets and liabilities was recorded as 'Goodwill' amounting to ₹ 50.88 Crores and ₹ 6.01 Crores respectively in the books of HCL Services Limited and HCL Learning Limited respectively.

As at the appointed date, the Group had recorded Goodwill amounting to ₹ 606.33 Crores (including Goodwill recorded at the subsidiary level, as explained above) arising from the consolidation of Transferee Companies with the Company, being difference between the Company's investments in the Transferee Companies as determined by an independent valuer as on 31st December, 2012 and net assets recorded by the Transferee Companies in their respective books as at the Appointed date. Goodwill has now been tested for impairment, and no impairment is considered necessary.

45. Expenditure of Research and Development

Particulars	2015 ₹/Crores	2014 ₹/Crores
Capital	0.52	-
Add: Intangible assets under development	-	-
	0.52	-
Revenue (Depreciation, Personnel, Travel and Other Administration expenses)	15.84	-
Less: Transferred to Intangible assets under development	-	-
	15.84	-
Total	16.36	-

46. Additional information to consolidated accounts as at June 30, 2015 (Pursuant to Schedule III of the Companies Act 2013):

Name of the Entity	Net Assets i.e, total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Amount	As a % of consolidated net (profit) / loss	Amount
Parent company				
HCL Infosystems Limited	114.29	1,437.14	(45.66)	84.34
Subsidiaries: Indian				
Digilife Distribution and Marketing Services limited	(0.62)	(7.74)	12.77	(23.59)
RMA Software Park Private Limited	-	-	0.67	(1.23)
HCL Computing Products Limited	0.01	0.07	0.01	(0.01)
HCL Services Limited	(7.04)	(88.49)	49.91	(92.20)
HCL Learning Limited	(2.38)	(29.90)	13.46	(24.86)
HCL Infotech Limited	4.21	52.90	83.97	(155.09)
Pimpri Chinchwad eServices Limited	0.00	0.01	0.00	(0.01)
Subsidiaries: Foreign				
HCL Touch Inc., USA	0.04	0.49	(0.10)	0.18
HCL Infosystems MEA FZE, Dubai	(3.24)	(40.74)	5.13	(9.48)
HCL Infosystems LLC, Dubai	(0.60)	(7.52)	0.53	(0.98)
HCL Infosystems MEA LLC, Abu Dhabi	(0.63)	(7.94)	(1.06)	1.97
HCL Infosystems Qatar WLL	(0.01)	(0.15)	0.41	(0.77)
HCL Infosystems South Africa (Pty) Limited	(0.10)	(1.22)	(0.00)	0.00
HCL Insys Pte Limited, Singapore	9.79	123.13	(12.06)	22.27
HCL Investment Pte Limited, Singapore	1.00	12.52	(0.16)	0.29
Joint Venture (as per proportionate consolidation)				
Nokia HCL Mobile Internet Services Limited	(0.03)	(0.36)	0.08	(0.15)
Profit on sale of subsidiary	-	-	(7.06)	13.04
Intra-Group Eliminations	(14.69)	(184.70)	(0.85)	1.58
Total	100.00	1,257.50	100.00	(184.71)

47. Previous year's figures have also been regrouped/recasted, where necessary, to conform to the current year's presentation.

For Price Waterhouse

Firm Registration Number-301112E
Chartered Accountants

AVIJIT MUKERJI

Partner
Membership Number -056155

Place : Noida
Date : August 20, 2015

For and on behalf of the Board of Directors

PREMKUMAR SESHADRI

Executive Vice Chairman
& Managing Director
DIN - 03114983

S G MURALI

Group CFO

KAUSHIK DUTTA

Director
DIN - 03328890

SUSHIL KUMAR JAIN

Company Secretary

**Statement pursuant to first proviso to sub section (3) of Section 129 of the Companies Act 2013,
read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed FORM AOC-1 relating to Subsidiaries / Joint Venture**

(₹ Crores) except % of shareholding

S. No.	Name of the Subsidiary Company / Joint Venture	Reporting Currency	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share holding	Country
1	Digilife Distribution and Marketing Services limited	INR	1.00	48.05	(55.79)	60.29	68.03	-	172.94	(23.59)	-	(23.59)	-	100	India
2	RMA Software Park Private Limited (Ceased to be subsidiary w.e.f 19 September 2014)	INR	1.00	-	-	-	-	-	-	(1.23)	-	(1.23)	-	100	India
3	HCL Computing Products Limited	INR	1.00	0.10	(0.03)	0.11	0.04	-	-	(0.01)	-	(0.01)	-	100	India
4	HCL Services Limited	INR	1.00	0.05	(88.54)	520.78	609.27	55.21	659.35	(86.98)	5.22	(92.20)	-	100	India
5	HCL Learning Limited	INR	1.00	0.05	(29.95)	139.37	169.27	-	33.07	(24.86)	-	(24.86)	-	100	India
6	HCL Infotech Limited	INR	1.00	0.05	52.85	1,822.75	1,769.85	8.41	889.24	(155.09)	-	(155.09)	-	100	India
7	Pimpri Chinchwad eServices Limited	INR	1.00	0.05	(0.04)	0.01	-	-	-	(0.01)	-	(0.01)	-	85	India
8	HCL Touch Inc., USA	USD	61.85	-	0.49	0.71	0.22	-	0.52	0.18	-	0.18	-	100	USA
9	HCL Infosystems MEA FZE, Dubai	AED	16.90	14.03	(54.77)	79.13	119.87	1.10	54.81	(9.48)	-	(9.48)	-	100	Dubai
10	HCL Infosystems LLC, Dubai	AED	16.90	0.51	(8.03)	0.05	7.58	-	-	(0.98)	-	(0.98)	-	49	Dubai
11	HCL Infosystems MEA LLC, Abu Dhabi	AED	16.90	0.25	(8.19)	5.15	13.09	-	30.75	1.97	-	1.97	-	49	Abu Dhabi
12	HCL Infosystems Qatar WLL	AED	16.90	0.34	(0.49)	6.32	6.47	-	30.09	(0.77)	-	(0.77)	-	49	Qatar
13	HCL Infosystems South Africa (Pty) Limited	ZAR	4.94	1.18	(2.48)	2.56	3.78	-	-	(0.00)	-	(0.00)	-	100	South Africa
14	HCL Insys Pte Limited, Singapore	USD	61.85	54.48	56.14	198.58	87.96	52.48	255.29	18.50	1.34	17.16	-	100	Singapore
15	HCL Investment Pte Limited, Singapore	USD	61.85	9.65	1.23	12.76	1.88	-	0.31	0.15	0.14	0.29	-	100	Singapore
16	Nokia HCL Mobile Internet Services Limited	INR	1.00	0.25	(0.60)	0.42	0.76	-	0.16	(0.15)	-	(0.15)	-	49	India

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a full page of blank, lined paper. It features approximately 28 evenly spaced horizontal grey lines across its entire surface, typical of standard notebook paper. There are no margins, text, or other markings present.

CAPABILITY SNAPSHOT

100,000+

Retail outlets across

13,000+ towns

300+

Consumer Support
Walk-in Centers

1200+

Channel
Partners

75+

Mission critical
Datacenters deployed

100,000+

Vocation
trained

875 Million+

UIDAI Aadhaar
Cards Generated

5,00,000+

Mobile Devices
Repaired Annually

13,000+

Digi-School
Classrooms

Our aim is to be your Technology Lifecycle Partner by consistently providing the Choice of best-in-class products and the Capability of world-class IT services and solutions. Our approach is trust-based and value driven

Our DNA

By being consistently innovative, proactive and responsive we strive to be the solution provider and business associate of choice for our clients and our Channel and OEM Partners.

HCL INFOSYSTEMS LTD.

E-4, Sector 11, NOIDA 201 301, U.P., India

Tel: +91 120 2526518/19, 2520977, www.hclinfosystems.com

HCL INFOSYSTEMS LIMITED

CIN- L72200DL1986PLC023955

Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi-110 019,
Corporate Office: E-4, Sector 11, Noida 201301 (U.P.)
Telephone: +91 120 2520977, 2526518, 2526519, Fax No.+91 120 2523791
Website: www.hclinfosystems.com, Email: cosec@hcl.com

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of HCL Infosystems Limited will be held on Thursday, 19th November, 2015 at 10:00 A.M. at FICCI Auditorium, 1, Tansen Marg, New Delhi 110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the financial year ended 30th June, 2015, including the audited Balance Sheet as at 30th June, 2015, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Nikhil Sinha (DIN 01174807), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Price Waterhouse, Chartered Accountants (FRN – 301112E) as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Ms. Ritu Arora (DIN 07019164), who was appointed as an Additional Director (designated as Non-Executive Independent Director) of the Company pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company vide resolution passed by the Board of Directors of the Company w.e.f. 6th April, 2015 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for Independence as provided in section 149(6) of the Act and clause 49 of the Listing Agreement and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retirement by rotation, to hold office for a period 5 (five) years, i.e. up to 5th April, 2020.”

**By Order of the Board
For HCL Infosystems Limited**

Sd/-

Sushil Kumar Jain

Company Secretary

Membership No.: A8917

Date : 20th August, 2015

Place : Noida

Notes:

1. As a responsible corporate citizen, the Company welcomes and supports the ‘Green Initiative’ taken by the Ministry of Corporate Affairs, enabling the Company to send all communication to the Members through electronic mode. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members.

The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding or registering their email addresses with the Company’s Registrar and Share Transfer Agent, in case of physical shareholding. We hope that Members will join this cause and make the world a cleaner, greener and healthier place to live in.

2. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of the business under Item No. 4 of the Notice, is annexed hereto. The relevant information as required under clause 49 of the Listing Agreement and the Companies Act, 2013, of persons seeking appointment/re-appointment as Directors in Annual General Meeting scheduled to be held on 19th November, 2015 is enclosed and forms part of this notice.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 16th November, 2015 to Thursday, 19th November, 2015 (both days inclusive) for the purpose of Annual General Meeting.
5. All correspondence with regard to share transfers/dividends and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agent (RTA) at the address given below:

M/s. Alankit Assignments Limited

205-208, Anarkali Complex,

Jhandewalan Extension,

New Delhi-110055

Phone : 011-42541234, 011-23541234

Fax : 011-23552001

Email : rta@alankit.com

Website : www.alankit.com

6. Members holding shares in physical form are requested to dematerialize their shares. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA. Members holding shares in physical form are also requested to quote their PAN details on the share transfer deed submitted for transfer of their shares.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company the prescribed Form SH-13 for nomination and Form SH-14 for cancellation/ variation as the case may be. Members holding shares in demat mode may contact their respective Depository Participant (DP) for availing this facility.
9. Copies of all documents referred to in notice and explanatory statement annexed thereto and the statutory registers under of the Companies Act, 2013 are available for inspection at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all working days i.e Monday to Friday, till the date of meeting and will also be available at the venue of the meeting.
10. Pursuant to provisions of sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, the Company has transferred unpaid/ unclaimed dividend upto the 3rd Interim dividend of the financial year 2007-08 to the Investor Education and Protection Fund (the Fund) of the Central Government. The unpaid/unclaimed dividend(s) declared thereafter, remaining unpaid or unclaimed for a period of seven years from the date the same become due for payment, will be transferred by the Company to the Fund of the Central Government, as and when due.

Shareholders who have not encashed the dividend warrant(s) are requested to return the unpaid dividend warrant(s) for revalidation or write to the Company at the above address to obtain duplicate dividend warrant immediately. Please note that after transfer of the unpaid/ unclaimed dividend to the Fund, no claims shall lie against the Fund or the Company in respect of individual amounts and no payment shall be made in respect of any such claims.

11. In compliance with the provisions of section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules 2015 w.e.f. 19th March 2015, and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the Remote e-voting services provided by NSDL, on all resolutions set forth in this Notice.

12. The certificate from the Auditors of the Company certifying that the Employees Stock Option Schemes of the Company are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed by members, shall be placed at the AGM.
13. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Company had appointed, Ms. Ritu Arora on the Board of the Company as an Additional Director, and designated as 'Non-Executive Independent Director', pursuant to the provisions of section 161 of the Companies Act, 2013 (the Act) and as per the Articles of Association to hold office up to the date of the next Annual General Meeting of the Company.

Pursuant to the provisions of section 149 of the Companies Act, 2013 (Act), every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

As per the provisions of section 161(1) of the Act, she holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the company, and is eligible for appointment as Director. The Company has received a notice under section 160 of the Act proposing her candidature for the office of Director of the Company, along with the requisite deposit.

The Nomination & Remuneration Committee has recommended the appointment of Ms. Ritu Arora as Independent Director for a period 5 (five) years, i.e. up to 5th April, 2020.

The Company has received declarations from her confirming that she meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. In the opinion of the Board, she fulfils the conditions specify in the Act and the Rules framed thereunder for appointment as Independent Director and she is independent of the management.

The brief resume of Ms. Ritu Arora, the nature of their expertise in specific functional areas, names of Companies in which she has held directorships, committee memberships/ chairmanships, her shareholding etc., are separately annexed hereto as Annexure-A.

Your Board of Directors recommends the resolutions set out at item no 4 of the notice for appointment of Ms. Ritu Arora as Independent Director under provisions of section 149 read with Schedule IV to the Act.

The terms and conditions of appointment of the above Director shall be open for inspection by members at the registered office of the Company, during normal business hours on any working day, excluding Saturday and Sunday.

A brief profile of Ms. Ritu Arora to be appointed is given below:

Ms. Ritu Arora is a respected professional, vastly experienced in the BFSI and FMCG industries, with a career spanning 19 years. She has extensive experience in corporate finance and capital markets, with a passion for coaching and mentoring. As an economy specialist, she has deep appreciation of emerging global and domestic macro-economic trends and their business impact. She has held key responsibilities such as Investment management and governance, P&L strategy, corporate finance, strategic tie ups, merger and acquisitions, treasury, procurement etc. She is also presently the Non-Executive Director of Canara Bank Securities Ltd.

Ms. Arora is founding member of one of the fastest growing life insurance company Canara HSBC Oriental Bank of Commerce Life Insurance Co Ltd. where she holds the responsibility of Chief Investment Officer and Head Procurements. In past, she has worked with many reputed Companies like Marico Industries, Gillette India Limited, Coca Cola India and MetLife India Insurance.

Ms. Arora has been widely recognized by the industry as economy and capital markets expert, and has been frequently featured in the national business media. She was awarded "Leading Women in Finance" by Women in Leadership Forum India and "Women Leader of Choice" Award in 2013 by WILL. She is a frequent speaker at CII and ASSOCHAM industry conferences and Women in Leadership Forum.

An alumnus of S P Jain Institute of Management and Research (1996), Ms. Arora is a graduate of commerce and a gold medalist lady topper from Osmania University. She is also a post graduate from ICWAI (Institute of Cost and Works Accountants).

**By Order of the Board
For HCL Infosystems Limited**

Sd/-

**Sushil Kumar Jain
Company Secretary
Membership No.: A8917**

**Date : 20th August, 2015
Place : Noida**



Name of Director	Mr. Nikhil Sinha	Ms. Ritu Arora
Date of Birth	03/08/1960	05/05/1973
Age (years)	55	42
Date of Appointment	29/07/2009	06/04/2015
Nationality	USA	Indian
Qualifications	M.A. and Ph.D. from the Annenberg School for Communication at the University of Pennsylvania	Graduate of commerce, PGDM and CMA from Institute of Cost Accountants of India
Expertise in specific functional area	- Leading international expert on information and communication technology industries and has extensive experience as an academician, corporate executive and consultant.	- Wide experience in BFSI and FMCG industries, corporate finance and capital markets, Investment management and governance, P&L strategy, corporate finance, Strategic tie ups, merger and acquisitions, treasury, procurement etc.
Directorships held in other Companies as on date	- Digilife Distribution and Marketing Services Limited - HCL Learning Limited	- Canara Bank Securities Limited
Membership/Chairmanship in Committees of other companies as on date	-	-
Number of shares held in the Company as on date	Nil	Nil
Relationship with Other Directors	-	-

HCL INFOSYSTEMS LIMITED

CIN- L72200DL1986PLC023955

Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi-110 019,
Corporate Office: E-4, Sector 11, Noida 201301 (U.P.)
Telephone: +91 120 2520977, 2526518, 2526519, Fax No.+91 120 2523791
Website: www.hclinfosystems.com, Email: cosec@hcl.com

ATTENDANCE SLIP29th Annual General Meeting – Thursday, 19th November, 2015**FOLIO NO./CLIENT ID No.** _____ **DP ID No.** _____

No. of Shares held _____

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company at 10:00 A.M. at FICCI Auditorium, 1, Tansen Marg, New Delhi 110001._____
Name of the Member / Proxy_____
Signature of the Member / Proxy**Note:**

1. Please complete the Folio/DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Electronic copy of the Annual Report for the financial year ended on 30th June, 2015 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 30th June, 2015 and Notice of Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

HCL INFOSYSTEMS LIMITED

CIN- L72200DL1986PLC023955

Registered Office: 806, Siddharth, 96, Nehru Place, New Delhi-110 019,
 Corporate Office: E-4, Sector 11, Noida 201301 (U.P.)
 Telephone: +91 120 2520977, 2526518, 2526519, Fax No.+91 120 2523791
 Website: www.hclinfosystems.com, Email: cosec@hcl.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
 (Management and Administration) Rules, 2014]

29th Annual General Meeting – Thursday, 19th November, 2015

Name of member(s) :

Registered address :

E-mail :

Folio No./Client ID No. :

DP ID No. :

I/We, being the member(s) of shares of the above named company,
 hereby appoint

1. Name Email

Address

..... Signature or failing him;

2. Name Email

Address

..... Signature or failing him;

3. Name Email

Address

..... Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the
 Company to be held on Thursday, 19th November, 2015 at 10:00 A.M. at FICCI Auditorium, 1, Tansen Marg, New Delhi 110001
 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	To receive, consider and adopt the financial statements of the Company for the financial year ended 30 th June, 2015, including the audited Balance Sheet as at 30 th June, 2015, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Dr. Nikhil Sinha (DIN 01174807), who retires by rotation and being eligible, offers himself for re-appointment.
3.	To appoint M/s. Price Waterhouse, Chartered Accountants (FRN – 301112E) as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
Special Business	
4.	To appoint Ms. Ritu Arora (DIN 07019164) as an Independent Director

Signed this day of 2015

Affix Re.1
Revenue
Stamp

Signature of the member/Signature of the Proxy Holder(s)

Route map of Annual General Meeting Venue,
FICCI, Auditorium, 1, Tansen Marg, New Delhi 110001



The instructions for e-voting are as under:

- A.** In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
- I. Open the e-mail and also open PDF file namely "HCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - II. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - III. Click on Shareholder Login.
 - IV. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - V. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - VI. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - VII. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - VIII. Select "EVEN" (Electronic Voting Event Number) of HCL Infosystems Limited. Now you are ready for e-voting as Cast Vote page opens.
 - IX. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - X. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - XI. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hclscrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - XII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com. The documents should reach the Scrutinizers on or before the close of working hours on or before 19th November, 2015.
- B.** In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- I. Initial password is provided in the EVEN (Electronic Voting Event Number), user ID and password under the instruction for e-voting printed overleaf.
 - II. Please follow all steps from Sl. No. (II) to Sl. No. (XII) above, to cast vote.
- C.** Other Instructions:
- I. The remote e-voting period commences on Monday, 16th November, 2015 (9:00 a.m. IST) and ends on Wednesday, 18th November, 2015 (5:00 p.m. IST) and thereafter the remote e-voting facility shall forthwith be blocked. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 13th November, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - II. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 13th November, 2015. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, voting through ballot form, as well as voting at the meeting through ballot.
 - III. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
 - IV. The Company has appointed Mr. Vineet K. Chaudhary, Company Secretary in Whole-time practice as "Scrutinizer" to scrutinize the e-voting process in a fair and transparent manner. He has given his consent for such appointment.
 - V. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
 - VI. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.hclinfosystems.com and on the website of NSDL, www.evoting.nsdl.com immediately after the result are declared by the Chairman or any person authorized by him. The company shall, simultaneously, communicate the results to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.