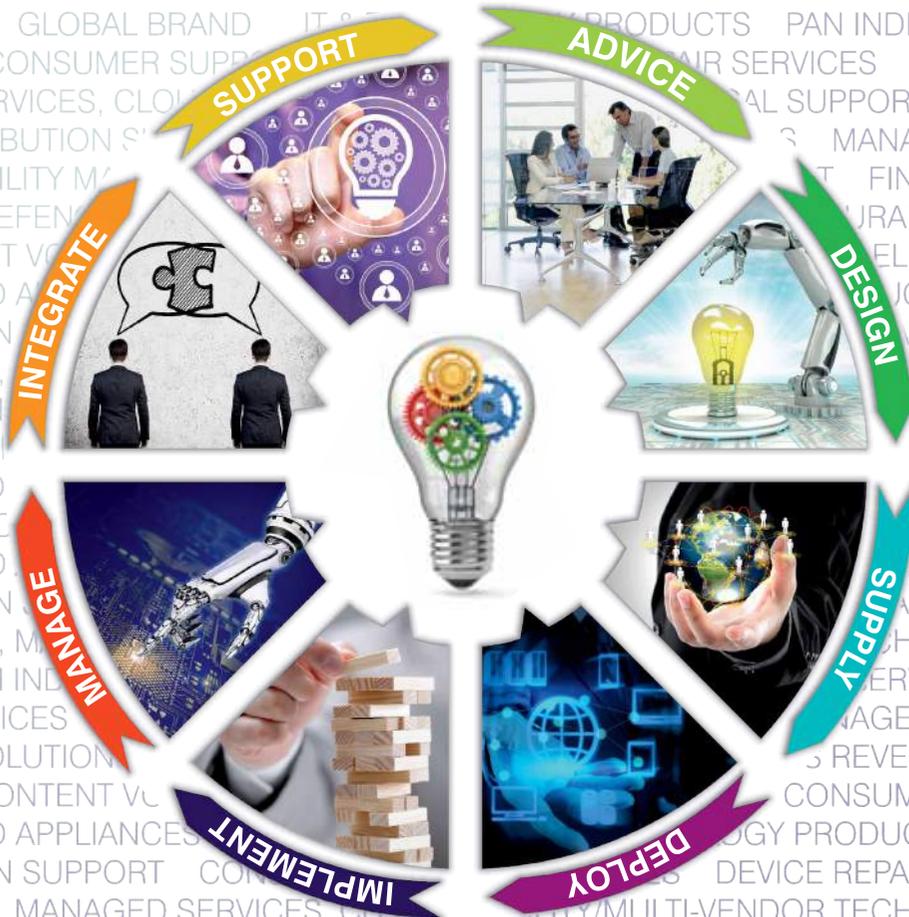


MOBILE DEVICES CONSUMER ELECTRONICS HOUSEHOLD APPLIANCES GLOBAL BRAND IT & TECHNOLOGY PRODUCTS PAN INDIA DISTRIBUTION SUPPORT CONSUMER SUPPORT SERVICES DEVICE REPAIR SERVICES IT CONSULTING, MANAGED SERVICES, CLOUD/MOBILITY/MULTI-VENDOR TECHNICAL SUPPORT SERVICES PAN INDIA DISTRIBUTION SUPPORT IT/NETWORK SUPPORT SERVICES MANAGED SECURITY SERVICES FACILITY

Your Technology Lifecycle Partner



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 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 EBIDTA 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 "PBIT"

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



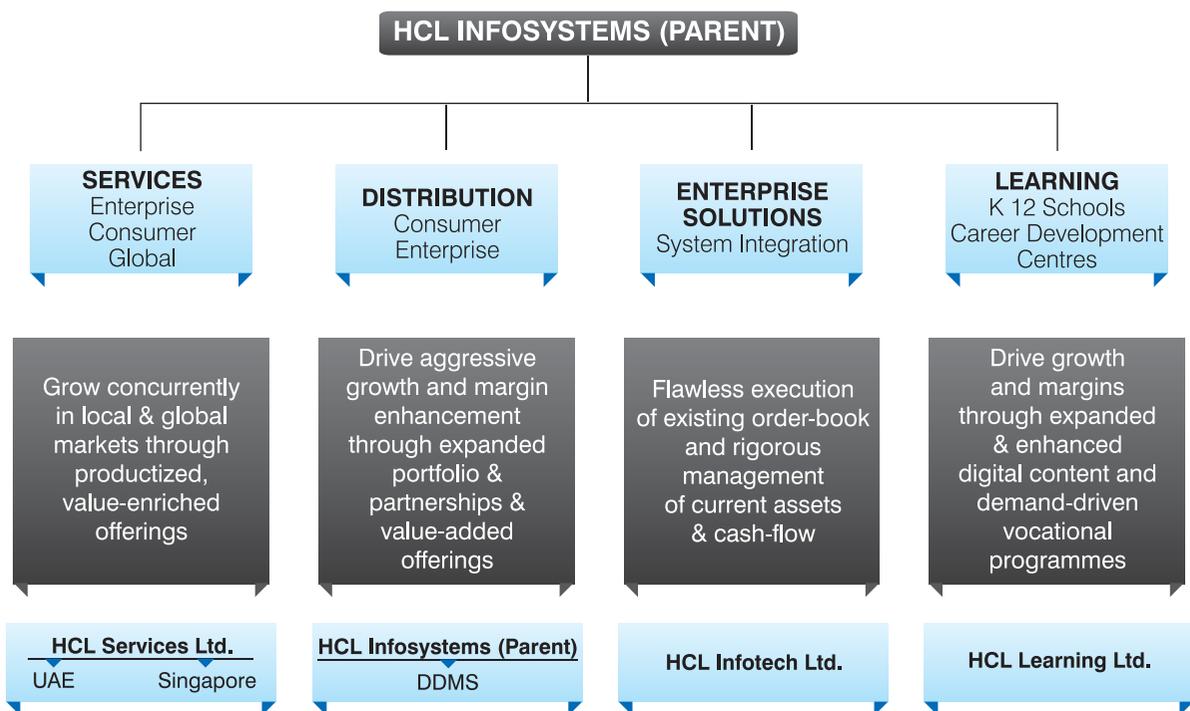
Intense focus on risk mitigation & minimization
Significantly enhanced engagement governance rigour

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)