

HCL Infosystems Limited

Regd. Office: 806, Siddharth, 96, Nehru Place, New Delhi-110 019

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of HCL Infosystems Limited will be held on Friday, the 15th day of November, 2013 at 10:30 A.M. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi 110010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 30th June, 2013.
2. To appoint a Director in place of Mr. D. S. Puri, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. E. A. Kshirsagar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Price Waterhouse, Chartered Accountants (FRN - 301112E), the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to Sections 198, 267, 268, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof, provisions of Articles of Association of the Company and subject to approval from the Central Government, if required, approval of the Company be and is hereby accorded for re-designation of Mr. Harshavardhan Madhav Chitale as "Managing Director and Chief Executive Officer" of the Company effective from October 1, 2013, for the remaining tenure of his office i.e till August 16, 2016 and payment of remuneration to Mr. Chitale, for a period of 3 years w.e.f. 1st July, 2013, as recommended by the Employees Compensation and Employees Satisfaction Committee and as set out in the Explanatory Statement attached to the notice of this Annual General Meeting."

"RESOLVED FURTHER that pursuant to Section 198 and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, the remuneration as set out in the said Explanatory Statement be paid as minimum remuneration to Mr. Harsh Chitale notwithstanding that in any financial year of the Company during his tenure as Managing Director, the Company has made no profits or profits are inadequate."

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof and provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded for ratifying and approving the remuneration paid to Mr. Harsh Chitale, Whole-time Director and Chief Executive Officer, during the period from 1st July 2012 to 30th June 2013, as recommended by the Employees Compensation and Employees Satisfaction Committee and as set out in the Explanatory Statement attached to the notice of this Annual General Meeting."

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof, provisions of Articles of Association of the Company and subject to approval from the Central Government, if required, approval of the Company be and is hereby accorded for payment of remuneration to Mr. J.V. Ramamurthy, Whole-time Director w.e.f. 1st July, 2013 for the remaining tenure of his office i.e till August 10, 2015, as recommended by the Employees Compensation and Employees Satisfaction Committee and as set out in the Explanatory Statement attached to the notice of this Annual General Meeting."

"RESOLVED FURTHER that pursuant to Section 198 and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, the remuneration as set out in the said Explanatory Statement be paid as minimum remuneration to Mr. J.V. Ramamurthy notwithstanding that in any financial year of the Company during his tenure as Whole-time Director, the Company has made no profits or profits are inadequate."

8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof and provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded for ratifying and approving the remuneration paid to

Mr. J.V. Ramamurthy, Whole-time Director, during the period from 1st July 2012 to 30th June 2013, as recommended by the Employees Compensation and Employees Satisfaction Committee and as set out in the Explanatory Statement attached to the notice of this Annual General Meeting."

9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 297 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956, provisions of Articles of Association of the Company and as approved by the Central Government vide approval letter no. 4/289/T-1/2013/D/2056 dated 20th May, 2013, approval of the Company be and is hereby accorded to enter into contract(s) for sale and/or supply of hardware and office automation products, annual maintenance service, comprehensive service maintenance and facility maintenance/management with M/s Manipal Global Education Services Private Limited, on the terms and conditions, as set out in the Explanatory Statement attached to the notice of this Annual General Meeting."

**By Order of the Board
For HCL Infosystems Limited**

Sd/-

**Sushil Kumar Jain
Company Secretary**

**New Delhi
26th September, 2013**

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.

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 explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 in respect of the business under items from 5 to 9 is attached hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED FOR THE USE BY MEMBERS, IF REQUIRED, WHICH MUST BE SUBMITTED WITH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 13th day of November 2013 to Friday, the 15th day of November, 2013 (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 Ltd.
Alankit House,
2E/21, Jhandewalan Extension,
New Delhi - 110 055
Phone : 011-23541234
Fax : 011-42541967
Email : rta@alankit.com
Website : www.alankit.com

6. The Members are requested to lodge/notify the transfer deeds, communication for change of address, Bank details, ECS details, wherever applicable, mandates (if any) with the Company's RTA for shares held in physical mode.

The Members holding shares in electronic form are requested to lodge the above details to their depository participants and not to the Company or RTA of the Company, as the Company is obliged to use only the data provided by the Depositories while making payment of dividend.

7. As per RBI notifications, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instruction and efficiency in handling bulk transactions.

In this regard, shareholders holding shares in electronic form are requested to furnish Bank Account Number allotted to them by their bank (after implementation of CBS), along with photocopy of a cheque of the concerned account, to their Depository Participant. Please send these details to the Company or the RTA, only if the shares are held in physical form.

8. Members holding shares in physical form are requested to dematerialise their shares. Securities and Exchange Board of India (SEBI) has mandate 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.
9. As per the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to the Members, in respect of the equity shares held by them. Nomination Form 2B prescribed by the Government can be obtained from the RTA or the registered office of the Company.
10. Members/Proxy holders are requested to produce at the entrance of the auditorium the enclosed admission slip duly completed and signed.
11. Copies of all documents referred to in notice and explanatory statement annexed thereto and the statutory registers under Section 301 and 307 of the Companies Act, 1956 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.
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. Pursuant to provisions of Sections 205A and 205C of the Companies Act, 1956, the Company has transferred unpaid/ unclaimed dividend upto the 3rd Interim dividend of financial year 2005-06 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.

14. Information for Director seeking appointment / re-appointment in Annual General Meeting scheduled to be held on 15th November, 2013 (Pursuant to Clause 49 (IV)(E) and 49 (IV)(G)(i) of the Listing Agreement) is enclosed and forms part of this notice.
15. In terms of the exemption granted by Ministry of Corporate Affairs (MCA) vide General Circular No. 2/2011 dated 8th February, 2011, the accounts of the subsidiary companies have not been enclosed with the results.

The annual accounts of the subsidiaries are available for inspection on any working day at the Registered Office of the Company. The Company shall also furnish a hard copy of details of accounts of these subsidiaries to any Shareholder on demand. A summary of financials of the subsidiaries has been included in the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

In terms of the exemption granted by MCA vide notification dated 8th February, 2011, the Company has not disclosed the quantitative details in the profit and loss account for those class of goods which form less than 10% of the total value of stock, purchase, sales, consumption of raw material, etc as the case may be.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 & 6

Mr. Harshavardhan Madhav Chitale was appointed as Director of the Company w.e.f August 17, 2011 and designated as Whole-Time Director & CEO for a period of 5 years. His appointment and remuneration were approved by the shareholders vide resolution passed at their meeting held on November 4, 2011. The revision in remuneration to Mr. Chitale was approved by shareholders vide resolution passed at their meeting held on November 7, 2012.

Mr. Chitale joined HCL Infosystems Limited (HCL) as Chief Executive Officer in October '10 and heads the overall business strategy and operations of HCL. He brings a wealth of experience as a senior business leader with rich business management experience in both Indian and global companies. Mr. Chitale is a recipient of the Director's Gold Medal at IIT Delhi, from where he completed his Electrical Engineering.

It is proposed to re-designate Mr. Chitale as "Managing Director and Chief Executive Officer" of the Company effective from October 1, 2013, for remaining tenure of his office i.e till August 16, 2016.

It is also proposed to continue to pay the same remuneration to Mr. Chitale for a period of 3 years w.e.f. 1st July, 2013 as under:

a) Basic Salary	:	₹ 6,00,000/- per month
b) House Rent Allowance	:	80% of Basic Salary
c) Flexible Benefit Basket	:	₹ 59,71,740/- per annum
d) Performance linked Bonus	:	₹ 1,41,50,000/- per annum. The final payout will be as approved by the Board/Committee based on achievement of agreed targets.
e) Contribution to Provident Fund	:	12% of Basic Salary, as per the provision of the Employees Provident Fund and Miscellaneous Provisions Act, 1952
f) Contribution to Superannuation Fund	:	15% of the Basic Salary, as per the scheme of the Company
g) Gratuity	:	As per the provisions of the Payment of Gratuity Act, 1972
h) Medical Insurance	:	As per the scheme of the Company

In the event of absence or inadequacy of profits in any financial year, Mr. Harsh Chitale shall be paid remuneration by way of salary and perquisites as specified above. The statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at Item No. 5 is annexed hereto as Annexure-A.

As the Company has incurred losses during the year ended 30th June 2013, the payment of remuneration to Mr. Chitale is subject to the approval of the Shareholders by way of special resolution.

In view of the MCA Circular No. 46/2011 dated July 14, 2011 read with MCA clarification dated August 16, 2012, no approval of the Central Government is required for payment of the above remuneration to Mr. Chitale, since the following conditions specified under the said circular are duly complied with:

1. Mr. Chitale is not having any direct or indirect interest in the capital of the Company or its holding company or through any other statutory structures at any time during last two years before or on the date of appointment; and
2. Mr. Chitale is having requisite qualification with expert and specialised knowledge in the field of his profession.

As recommended by the Employees Compensation and Employees Satisfaction Committee, your Board of Directors recommends resolution no. 5 for re-designation of Mr. Chitale as "Managing Director and Chief Executive Officer" and payment of the remuneration as set out above to Mr. Chitale, for your approval as a special resolution.

Your Board of Directors also recommends resolution no. 6 for ratification and approval of the above remuneration paid to Mr. Chitale during the year ended 30th June, 2013, for your approval as a special resolution.

None of the Directors of the Company except Mr. Harsh Chitale, is interested in this resolution.

Item No. 7 & 8

At the Annual General Meeting held on 27th October, 2010, the shareholders had approved the remuneration to Mr. J.V. Ramamurthy w.e.f. 1st July, 2010. The revision in remuneration to Mr. Ramamurthy was approved by shareholders vide resolution passed at their meeting held on November 7, 2012.

Mr. J.V. Ramamurthy, aged 59 years is an Engineer from Madras University and a post graduate in Applied Electronics from Madras Institute of Technology, Madras. He has over 33 years experience and a long association with electronic industry.

It is proposed to continue to pay the same remuneration to Mr. Ramamurthy w.e.f. 1st July, 2013 for the remaining tenure of his appointment i.e. till 10th August, 2015, as under:

a) Basic Salary	:	₹ 2,62,000/- per month
b) House Rent Allowance	:	80% of Basic Salary
c) Flexible Benefit Basket	:	₹ 29,03,772/- per annum
d) Performance linked Bonus	:	₹ 82,00,000/- per annum. The final payout will be as approved by the Board/Committee based on achievement of agreed targets.
e) Contribution to Provident Fund	:	12% of Basic Salary, as per the provision of the Employees Provident Fund and Miscellaneous Provisions Act, 1952
f) Contribution to Superannuation Fund	:	15% of the Basic Salary, as per the scheme of the Company
g) Gratuity	:	As per the provisions of the Payment of Gratuity Act, 1972
h) Medical Insurance	:	As per the scheme of the Company

In the event of absence or inadequacy of profits in any financial year, Mr. J.V. Ramamurthy shall be paid remuneration by way of salary and perquisites as specified above. The statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at Item No. 7 is annexed hereto as Annexure-A.

As the Company has incurred losses during the year ended 30th June 2013, the payment of remuneration to Mr. Ramamurthy is subject to the approval of the Shareholders by way of special resolution.

In view of the MCA Circular No. 46/2011 dated July 14, 2011 read with MCA clarification dated August 16, 2012, no approval of the Central Government is required for payment of the above remuneration to Mr. Ramamurthy, since the following conditions specified under the said circular are duly complied with:

1. Mr. Ramamurthy is not having any direct or indirect interest in the capital of the Company or its holding company or through any other statutory structures at any time during last two years before or on the date of appointment, except holding equity shares of the Company which were allotted to him under ESOP schemes of the Company and which at any point of time were less than ₹ 5,00,000, in terms of nominal value and also less than 0.5% of the paid up capital of the Company; and
2. Mr. Ramamurthy is having requisite qualification with expert and specialised knowledge in the field of his profession.

As recommended by the Employees Compensation and Employees Satisfaction Committee, your Board of Directors recommends resolution no. 7 for payment of the remuneration as set out above to Mr. Ramamurthy, for your approval as a special resolution.

Your Board of Directors also recommends resolution no. 8 for ratification and approval of the above remuneration paid to Mr. Ramamurthy during the year ended 30th June, 2013, for your approval as a special resolution.

None of the Directors of the Company except Mr. Ramamurthy, is interested in this resolution.

Item No. 9

Your Company has entered into a contract for sale and/or supply of hardware and office automation products, annual maintenance service, comprehensive service maintenance and facility maintenance/management to M/s. Manipal Global Education Services Private Limited (Formerly Known as M/s Manipal Universal Learning Private Limited), a premier institution of Manipal Group, associated with world class university providing courses in Medical, Engineering, Management, Pharmacy, Dental, Hotel Management, Life Sciences etc.

Mr. E.A. Kshirsagar, Director of the Company is also a Director of M/s. Manipal Global Education Services Private Limited (Contractee Company) and therefore the proposed contract attracts the provisions of Section 297 of the Companies Act, 1956.

The Central Government has vide its letter No. 4/289/T-1/2013/D/2056 dated May 20, 2013 given its approval for the above contract for the period from 1st July 2013 to 30th June 2016 as under:

Particulars	Financial Year	Estimated Value (in ₹)
Sale and Supply of Computers and Hardware Products, Office Automation products, Annual Maintenance Contract, Comprehensive Service Maintenance and Facility Maintenance / Management Agreement	July 1, 2013 to June 30, 2014	Not exceeding 100 lacs
	July 1, 2014 to June 30, 2015	Not exceeding 125 lacs
	July 1, 2015 to June 30, 2016	Not exceeding 150 lacs

It is hereby confirmed that:

- (a) the Contract entered into with M/s Manipal Global Education Services Private Limited is competitive, at arm's length, without conflict of interest and is not less advantageous to the Company as compared to similar contracts with other parties and the Company has not made any default under Section 297 of the Companies Act, 1956 in the past and there is no default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon and has filed its up to date balance sheet and annual return with the Registrar of companies;
- (b) the contract is falling within the provisions of Section 297 of the Companies Act, 1956 and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the proposed contract; and
- (c) the Company and its Directors have complied with the provisions of Section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the proposed contract.

The contract and the Central Government approval, referred to in resolution no. 9, would be available for inspection by the members at the Registered Office of the Company on any working day between 11.00 A.M. to 1.00 P.M. and shall also be available at the meeting.

The Board of Directors recommends the resolution no. 9 for your approval as special resolution.

None of the Directors of the Company except Mr. E.A. Kshirsagar is concerned or interested in the above resolution.

**By Order of the Board
For HCL Infosystems Limited
Sd/-
Sushil Kumar Jain
Company Secretary**

**New Delhi
26th September, 2013**

Information for Director seeking appointment/re-appointment in Annual General Meeting scheduled to be held on 15th November, 2013

Name of Director	Mr. D. S. Puri	Mr. E. A. Kshirsagar
Date of Birth	12th December, 1949	10th September, 1941
Age (years)	64 years	72 years
Date of Appointment	17th March, 1998	28th August, 1998
Qualifications	B.Com	Fellow of the Institute of Chartered Accountants in England & Wales
Expertise in specific functional area	Vast experience in Information Technology and Hospitality Industry	Rich experience in corporate strategy, project studies, diversification studies etc.
Directorships held in other Companies as on date	<ul style="list-style-type: none"> - Archer Hospitality Pvt Ltd - R.N. Consultants Pvt Ltd - Vireet Investments Pvt Ltd - Viren Investments Pvt Ltd 	<ul style="list-style-type: none"> - Batliboi Ltd - JM Financial Ltd - Rallis India Ltd. - TATA Chemicals Ltd - Merck Ltd - Manappuram Finance Ltd - JM Financial Products Ltd - Manipal Global Education Services Pvt. Ltd - Vama Sundari Investment Pvt. Ltd., Mauritius - Tata Chemicals Europe Holdings Ltd., U.K. - Tata Chemicals Magadi Ltd., U.K.
Membership/Chairmanship in Committees of other companies as on date	NIL	Audit Committee <ul style="list-style-type: none"> - JM Financial Ltd* - Rallis India Ltd* - Batliboi Ltd* - JM Financial Products Ltd* - Merck Ltd - TATA Chemicals Ltd - Manappuram Finance Ltd Remuneration Committee <ul style="list-style-type: none"> - Batliboi Ltd.* - Rallis India Ltd - JM Financial Ltd Shareholders Grievance Committee <ul style="list-style-type: none"> - Rallis India Ltd
Number of shares held in the Company as on date	NIL	NIL

* Chairman/Chairperson of the Committee

Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to the Resolutions at Item Nos. 5 and 7 of the Notice for the Twenty Seventh Annual General Meeting of HCL Infosystems Limited**I. GENERAL INFORMATION**

- (1) Nature of the Industry: HCL Infosystems Ltd. is India's Premier Technology Company and offers a wide spectrum of IT Services and Products ranging from Cloud to Learning Solutions. As a complete IT solutions provider the company offers comprehensive offerings in Enterprise Application Services, IT Infrastructure Managed Services, System Integration, Office Automation Products and Services, Distribution and Support Services. The company operates in both the Consumer and the Enterprise space - offering the latest mobility products and operating in verticals like BFSI, Telecom, and Healthcare respectively.
- (2) Date or Expected date of commencement of Commercial Production: The Company is in business from 1986
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) The financial performance of the Company during the preceding three financial years is as under:

Amount (in ₹ Crores)

Year	Turnover	Net profit as per profit and loss account	Amount of dividend declared	Rate of dividend declared
2013	8641.51	(81.33)	Nil	Nil
2012	10294.61	47.86	66.88	150%
2011	10940.21	177.23	176.30	400%

- (5) Export performance and net foreign exchange collaborations: Amount (in ₹ Crores)

	2011	2012	2013
Export (FOB Value)	9.79	39.31	31.25
Net Foreign Exchange Earnings	70.88	31.84	22.07

- (6) Foreign investments or collaborators, if any: The details of the direct overseas subsidiaries of the Company as on June 30, 2013 are as under:

S. No.	Name of the Entity	Description of Investment	No. of Shares/Securities & Shareholding	Amount (in ₹ Crores)
1	HCL Insys Pte Ltd., Singapore	Ordinary Shares	61999911 in SGD and 3800000 in USD	41.83
2	HCL Investments Pte Ltd., Singapore	Ordinary Shares	1 in SGD and 1775000 in USD	8.41
3	HCL Touch Inc., USA	Ordinary Shares	150 in USD	0.74

Besides the above, the Company also has a total of 6 overseas step-down subsidiary companies. The names and other financial details about these subsidiaries have been disclosed in Schedules to the Balance Sheet forming part of the Annual Report of the Company.

II. (A) INFORMATION ABOUT MR. HARSH CHITALE:**1) Background Details:**

Mr. Harsh Chitale is a recipient of Director's Gold Medal at IIT, Delhi from where he completed his Bachelor's Degree in Electrical Engineering in 1993. He joined HCL Infosystems as Chief Executive Officer (CEO) in October 2010. He was elevated to the position of Whole-time director for a period of 5 years, effective August 17, 2011. Effective October 1, 2013, he has been re-designated as Managing Director and Chief Executive Officer, for the remaining tenure of his office.

Mr. Chitale brings a wealth of experience as a senior business leader with rich business management experience in both Indian and global companies. He has handled various large System Integration and Lifecycle services businesses.

Mr. Chitale moved to HCL Infosystems after a successful stint at Honeywell International Inc in the USA where he led the Process Solutions business for the North and South America region. Prior to this, he was responsible for Strategy, Business Development and Global Marketing for Honeywell Process Solutions.

Before moving to the US in 2006, Mr. Chitale was the MD and CEO of Honeywell Automation India Ltd. (HAIL) (erstwhile TATA Honeywell Ltd.) where he was responsible for building the System Integration and Lifecycle Services business in India. Subsequently, he also served as Vice Chairman of the board of HAIL for a period of 2 years.

2) Past Remuneration:

As a Whole-time director and Chief Executive Officer, Mr. Chitale received remuneration as approved by the members at the 25th Annual General Meeting held on November 4, 2011. His remuneration during the year ended June 30, 2013 which comprised of salary, monetary value of perquisites, allowances and contribution to retiral funds was ₹ 2.81 Crores. This includes performance linked bonus for the year 2011-12 amounting to ₹ 0.72 Crores which was paid in the year 2012-13. No such bonus is proposed for the year 2012-2013.

3) Recognition/Awards:

Director's Gold Medal at IIT, Delhi

4) Job profile and his suitability:

The role of Mr. Chitale as Managing Director & CEO of the Company includes overall responsibility for the growth and day to day business activity of the Company. He provides the necessary strategic direction to all business lines/ interests of the Company. He is instrumental in the overall business development of the Company as well.

Keeping in view his working with the Company and his prior experience and positions held with various Corporates, he is eminently suitable for the present position. The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level and as well as in Operations of the Company. He is the key person in strategic decision making on critical issues in the business and management of the Company.

5) Remuneration Proposed:

The terms of the remuneration proposed to be paid to Mr. Chitale have been specified above.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The remuneration proposed to be paid to Mr. Chitale is in line with remuneration of Managing Director & CEOs of other companies, keeping in view his job profile, the size of operations and complexity of business of the Company.

7) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Mr. Harsh Chitale is not related to any other Director or Managerial Personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity of Managing Director & CEO.

(B) INFORMATION ABOUT MR. J.V. RAMAMURTHY:

1) Background Details:

Mr. J.V. Ramamurthy, aged 59 years is an Engineer from Madras University and a post graduate in Applied Electronics from Madras Institute of Technology, Madras. He has over 33 years of experience and a long association with electronic industry.

He began his career as an aeronautical engineer with Hindustan Aeronautics Ltd. at the Avionics Design Bureau.

Mr. Ramamurthy is President of MAIT (Manufacturers' Association of Information Technology). He has also been invited to Co-Chair various committees in CII, ASSOCHAM, ELCINA etc., for Electronics and IT.

2) Past Remuneration:

As a Whole-time director, Mr. Ramamurthy received remuneration as approved by the members at the 26th Annual General Meeting held on November 7, 2012. His remuneration during the year ended June 30, 2013 which comprised of salary, monetary value of perquisites, allowances and contribution to retiral funds was ₹ 1.14 Crores. This includes performance linked bonus for the year 2011-12 amounting to ₹ 0.16 Crores which was paid in the year 2012-13. No such bonus is proposed for the year 2012-2013.

3) Recognition/Awards:

NIL

4) Job profile and his suitability:

Mr. Ramamurthy brings more than 33 years of diverse industry experience and leadership to the company. A man of broad vision, he has spearheaded Company's entry into number of new verticals and partnerships. Over the last three decades, he has contributed immensely in building HCL through various stages of transformation in a constantly changing business environment.

Keeping in view his working with the Company and his prior experience, he is suitable for the present position. The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level and as well as in Operations of the Company.

5) Remuneration Proposed:

The terms of the remuneration proposed to be paid to Mr. Ramamurthy have been specified above.

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The remuneration proposed to be paid to Mr. Ramamurthy is in line with remuneration of Whole-time Director of other companies, keeping in view his job profile, the size of operations and complexity of business of the Company.

7) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Mr. Ramamurthy is not related to any other Director or Managerial Personnel of the Company. However, he holds 9,238 Equity Shares of HCL Infosystems Limited as on 30th June 2013.

III. OTHER INFORMATION:**1) Reasons of loss or inadequate profits:**

During the year ended 30th June 2013, the Company has incurred losses mainly on account of the following reasons:

1. Unfavourable exchange rate: Loss from exchange rate in PC orders was one of the key reasons for the losses.
2. Impairment of receivables: The profitability in the solutions business came under pressure due to receivables impairment.
3. High interest costs: Current year also witnessed higher interest cost due to increase in interest rate as well as increased capital employed.

2) Steps taken or proposed to be taken for improvement:

The Company with a view to achieve its growth objectives by having focused management orientation and higher degree of independence for each of the businesses and to create opportunities for strategic partnership has approved a Scheme of Arrangement (Scheme) for realigning the Hardware Solutions Business, the Services Business and the Learning Business to three separate subsidiaries. It is expected that on implementation of the Scheme, the reorganized businesses will contribute to the growth in the coming years.

The Company also has the following strategic plans for growth of each of its businesses:

a. Distribution and Marketing Services

Our strategic plans for this business include:

- Diversify by adding new brands across IT, Digital Entertainment, Consumer Electronics and Durables. We have already added the following brands in last few quarters: Dell, Huawei, Delonghi, JBL, ME, Lenovo, ZTE, Lexmark, Oracle, EMC, Fujitsu, SAP, etc.
- Grow value-added distribution services
- Invest in building reach across Rural and Tier 3/4/5 cities in India for Telecom and other Distribution

b. Services

We are taking the following initiatives to achieve our growth targets:

- Moving up the Enterprise Services value chain by offering IT Infrastructure Managed Services to existing customers of AMC / break-fix services

- Expanding our Cloud Services offerings
- Expanding in South Asia and Middle-East
- Tie-up with multiple OEMs for taking over their B2C after-sales service support

c. Solutions

We are taking the following initiatives in this business

- We are striving towards leaner operations by reducing overheads and making changes in our operating model
- We also plan to be selective in System Integration and Hardware deals to ensure margins and good receivables management

d. Computing and Mobility

Key tenets of our strategic plan for Computing & Mobility business include:

- Targeting SMB space as one of the profitable areas of growth for our PC business
- Leaner SG&A structure for PC business
- With our strong brand-recall, competitive product portfolio and distribution reach, HCL Infosystems Ltd. is well placed to capitalize on Tablets. We are now targeting the Enterprise and Government segments as well for our Tablet products. Our Tablet business has already witnessed a compounded quarterly growth rate of ~40% over last 5 quarters

e. Learning

We are taking the following initiatives in this business

- Offer course content directly to students
- Monetize HCL learning content through play in services
- Expand in overseas markets such as Middle East & Africa
- Evaluate multiple options for better working capital management

3) Expected increase in productivity and profits in measurable terms:

In addition to steps proposed to be taken for improvement as detailed hereinabove, the focus would be on improvement of manufacturing efficiencies, cost optimization and quality standards thereby achieving increase in productivity and profits.

IV. DISCLOSURES:

1. Remuneration Package of the managerial person: Fully described in the respective explanatory statement as stated above.
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' attached to the Annual Report: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Company.

HCL INFOSYSTEMS LIMITED

HCL

Regd. Office : 806, Siddharth, 96, Nehru Place, New Delhi-110 019

ATTENDANCE SLIP

27th Annual General Meeting - 15th November, 2013

DP ID NO. _____ CLIENT ID NO. _____ FOLIO NO. _____

(Electronic Mode)

(Electronic Mode)

(Physical Mode)

(Please mention both DP ID & Client ID Nos.)

(Please mention the Folio No.)

I certify that I am a registered Member/Proxy of the registered Member of the Company.

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company held on Friday, 15th November, 2013 at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010 at 10:30 A.M.

Member's/Proxy's name in BLOCK LETTERS

Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand over at the entrance of the Meeting Hall.

FOR THE KIND ATTENTION OF SHAREHOLDERS

NO GIFTS WOULD BE DISTRIBUTED AT THE AGM

HCL INFOSYSTEMS LIMITED

HCL

Regd. Office : 806, Siddharth, 96, Nehru Place, New Delhi-110 019

PROXY FORM

27th Annual General Meeting - 15th November, 2013

DP ID NO. _____ CLIENT ID NO. _____ FOLIO NO. _____

(Electronic Mode)

(Electronic Mode)

(Physical Mode)

(Please mention both DP ID & Client ID Nos.)

(Please mention the Folio No.)

I/We _____ of _____ being
a Member/Members of the above named Company, hereby appoint _____ of
_____ or failing
him _____ of _____
_____ as my/our proxy to vote for me/us on my/our behalf at
the 27th ANNUAL GENERAL MEETING of the Company to be held on Friday, 15th November, 2013 at Air Force Auditorium,
Subroto Park, Dhaula Kuan, New Delhi-110010 at 10:30 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature of Proxy _____ Signature of the Member _____

Affix
Re. 1
Revenue
Stamp

Note : The proxy form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

NO GIFTS WOULD BE DISTRIBUTED AT THE AGM