

## Directors' Report

**To the Shareholders,  
Pimpri Chinchwad eServices Limited**

Your Directors have pleasure in presenting their Third Annual Report together with the Audited Accounts for the financial period ended 30<sup>th</sup> June, 2013.

### Financial Highlights

The financial details are as under:

Particulars	(Rs. in Lacs)	
	Year ended 30 <sup>th</sup> June, 2013	Year ended 30 <sup>th</sup> June, 2012
Net Sales and other income	Nil	Nil
Profit / (Loss) before Interest, Depreciation and Tax	(0.28)	(3.57)
Finance Charges	Nil	Nil
Depreciation	0.05	0.03
(Loss) before Tax	(0.33)	(3.60)
Provision for Taxation: Current	Nil	Nil
: Fringe Benefit	Nil	Nil
Net (Loss) after Tax	(0.33)	(3.60)

Your Company has made a Loss after tax of Rs. 0.33 Lacs in the year ended 30<sup>th</sup> June, 2013 as against a loss of Rs. 3.60 Lacs for the year ended 30<sup>th</sup> June, 2012.

### Business

Your Company was incorporated to engage in the business of providing e-services and other related services within the territorial jurisdiction of the Pimpri Chinchwad Municipal Corporation (PCMC) and to the citizens of PCMC. The business operations have not yet commenced.

### Public Deposit

The Company has not accepted any deposits from the public.

### Directors

Mr. Saurabh Kumar ceased to be Director of the Company with effect from 5<sup>th</sup> April, 2013. The Board places on record its appreciation for the services rendered by them during their tenure with the Company.

In accordance with the Articles of Association of the Company, Mr. Debashish Tripathy, Director is retiring by rotation and being eligible, has offered himself for re-appointment.

### Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- b. appropriate accounting policies have been selected and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> June, 2013 and of the loss of the Company for the said period;

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis.

**Personnel**

There is no employee in the Company whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**Additional information in relation to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

During the year under review, there are no particulars to be furnished in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo and export initiative.

**Auditors and Auditors' Report**

M/s S.D. Chopra and Associates, Chartered Accountants, the auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. Your Directors recommend their reappointment.

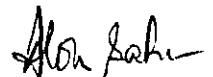
The Notes to Accounts are self explanatory and therefore do not call for any further comments.

**Acknowledgement**

The Directors wish to place on record their appreciation for the continued co-operation the Company received from various departments of the Central and State Government and Bankers.

The Board also wishes to place on record its gratitude to the valued Customers, Members and business associates for their continued support and confidence reposed in the Company.

**For and on Behalf of Board**



Alok Sahu  
Chairman

Place : Noida  
Date : 13<sup>th</sup> August, 2013

# **S. D. CHOPRA & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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512-B, MODI (HEMKUNT) TOWER, 98, NEHRU PLACE, NEW DELHI-110019 Ph. 26425422, 26425622

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### **Independent Auditor's Report to the members of Pimpri Chinchwad eServices Limited**

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#### **1. Report on the financial statements**

We have audited the accompanying financial statements of Pimpri Chinchwad eServices Limited, which comprise the Balance Sheet as at 30<sup>th</sup> June, 2013 and the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **2. Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

#### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statement based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the

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audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 30<sup>th</sup> June, 2013;
- b. in the case of the statement of Profit and Loss, of the loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

#### **5. Report on other legal and regulatory requirements**

1. As required by the Companies(Auditor's Report) Order, 2003 ("the Order") issued by the Central government of India in terms of sub section (4A) of Section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - c. The Balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the balance sheet, statement of profit and cash flow statement comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956. and



e. On the basis of written representations received from the directors as on 30<sup>th</sup> June, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 30<sup>th</sup> June, 2013 from being appointed as a director in terms of clause (g) of sub section of Section 274 of the Companies Act, 1956

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For SD Chopra & Associates  
Chartered Accountants  
Firm Registration No. 003789N



S.D. Chopra  
Proprietor

Membership No. 82537

Place: No 1 DA  
Date: 13/05/2013

## Annexure to the Auditor's Report

The Annexure referred to in our report to the member of Pimpri Chinchwad eServices Limited ( 'the Company') for the year ended 30<sup>th</sup> June, 2013. We report that

1. In respect of its fixed assets:

a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.

2. The Company do not have any inventory at the end of the year.

3.

a) The Company has not taken any loan secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

b) The Company has not granted any loan secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any major weaknesses in internal controls

5. As explained to us there has not been any transaction during the year that need to be entered in the register maintained under section 301 of the companies Act, 1956

6. The company has not accepted fixed deposits from public.

7. There was no internal audit system in operation during the year. However, The company has internal control system which, in our opinion, is adequate in relation to the size of the company .

8. The Central Government has not prescribed the maintenance of the cost records of the company under section 209(1) (d) of the companies Act, 1956.

9. In respect of statutory dues:



a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, employees state insurance, Income tax, Sale tax, Wealth tax, Service tax, custom duty, Excise duty, Cess and other material statutory dues applicable to it.

b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income tax, Sale tax, Wealth tax, Service tax, Custom duty, Excise duty, and Cess were outstanding, as at 30<sup>th</sup> June, 2013 for the period of more than six months from the date they become payable.

c) According to the information and explanation given to us, there are no dues of Sale tax, Income tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.

10. In our opinion, the accumulated losses of the company are more than 50% of its net worth and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

11. Based on the examination of the Books of accounts and related records and according to the information and explanation given to us, the company has not defaulted in repayment of dues to the Banks.

12. The company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.

13. The company is not a chit fund, Nidhi or Mutual benefit society. Hence the requirement of items (xiii) of paragraph 4 of the order is not applicable to the company.

14. The company is not dealing or trading in shares, securities, debentures and other investments.

15. The company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The company has not raised any term loan during the Year.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which has been used for long term investment and vice-versa.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

19. The company has not issued any debenture during the year.

20. The company has not made any public issue during the year.



21. According to the information and explanations provided to us, no fraud on or by the company has been noticed or reported during the course the year.

For SD Chopra & Associates  
Chartered Accountants  
Firm Registration No. 003789N



S.D. Chopra  
Proprietor

Membership No. 82537

Place: No IDA  
Date: 13/08/2013

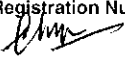


**Pimpri Chinchwad eServices Limited**  
**Balance Sheet as at June 30, 2013**

	<u>Notes</u>	<u>As at 30.06.2013 ₹/Lakhs</u>	<u>As at 30.06.2012 ₹/Lakhs</u>
<b>Equity and Liabilities:</b>			
<b>Shareholders' funds</b>			
Share capital	2, 3	5.00	5.00
Reserves and surplus	3	<u>(4.61)</u>	<u>(4.28)</u>
<b>Current Liabilities</b>			
Trade payables	5	0.23	0.22
<b>Total equity and liabilities</b>		<u>0.62</u>	<u>0.94</u>
<b>Assets:</b>			
<b>Non Current Assets</b>			
Fixed assets	4		
- Tangible assets		0.08	0.13
<b>Current Assets</b>			
Cash and cash equivalents	6	0.54	0.81
<b>Total Assets</b>		<u>0.62</u>	<u>0.94</u>
<b>Significant Accounting Policies</b>	1		

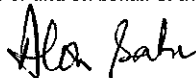
This is the Balance Sheet referred to in our report of even date

For S D Chopra & Associates  
Chartered Accountants  
Firm Registration Number-003789N

  
S D Chopra  
Proprietor  
Membership Number 82537

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

For and on behalf of the Board of Directors



Alok Sahu  
Director



Amanpreet Singh Bedi  
Director

Place : Noida

Date : 13/08/2013

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Pimpri Chinchwad eServices Limited  
Statement of Profit and Loss for the year ended June 30, 2013

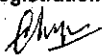
	<u>Notes</u>	<u>Year ended 30.06.2013 ₹/Lakhs</u>	<u>Year ended 30.06.2012 ₹/Lakhs</u>
<b>Revenue</b>			
Revenue from operations		-	-
Other income		-	-
<b>Expenses</b>			
Depreciation and amortization expense	4	0.05	0.03
Other expenses	7	0.28	3.57
		<u>0.33</u>	<u>3.60</u>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>(0.33)</b>	<b>(3.60)</b>
Exceptional items		-	-
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(0.33)</b>	<b>(3.60)</b>
Extraordinary items		-	-
<b>Profit/(Loss) before tax</b>		<b>(0.33)</b>	<b>(3.60)</b>
Tax expense			
- Current tax			
- Deferred tax			
<b>Profit/(Loss) for the year (a+b)</b>		<b>(0.33)</b>	<b>(3.60)</b>
<b>Earning per equity share (in ₹)</b>			
Basic (of ₹ 10/- each)		(0.66)	(7.20)
Diluted (of ₹ 10/- each)		(0.66)	(7.20)

**Significant Accounting Policies**

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

For S D Chopra & Associates  
Chartered Accountants  
Firm Registration Number-003789N

  
S D Chopra  
Proprietor  
Membership Number 82537

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

For and on behalf of the Board of Directors

  
Alok Sahu  
Director

  
Amanpreet Singh Bedi  
Director

Place : Noida

Dated : 13/08/2013

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**Pimpri Chinchwad eServices Limited**

**Cash Flow Statement for the Year ended June 30 2013**

Particulars	Year ended 30.06.2013 ₹/Lakhs	Year ended 30.06.2012 ₹/Lakhs
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit / (Loss) before Tax	(0.33)	(3.60)
Adjustments for :		
Depreciation	0.05	0.03
Operating Profit/(Loss) before working capital changes	(0.28)	(3.57)
Adjustments for :		
Increase / (Decrease) in Trade Payables	0.01	0.00
Cash used in operations	(0.27)	(3.57)
Net Cash used in operating activities	(0.27)	(3.57)
<b>B. Cash Flow from Investing Activities :</b>		
Sale/(Purchase) of Fixed Assets	-	(0.16)
Net Cash generated from (used in) Investing Activities	-	(0.16)
<b>C. Cash Flow from Financing Activities :</b>		
Net cash generated from (used in) financing activities	-	-
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(0.27)	(3.73)
Cash & Cash Equivalents, beginning of the year	0.81	4.54
Cash & Cash Equivalents, end of the year	0.54	0.81
Net Increase/ (Decrease) as disclosed above	(0.27)	(3.73)

**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 the Companies Act, 1956.
2. Figures in brackets indicate cash outflow

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

For S. D. Chopra & Associates  
Chartered Accountants  
Firm Registration Number-003789N

S. D. Chopra  
Proprietor  
M. No. 82537

Place : Noida

Date : 13/08/2013

For and on Behalf of Board of Directors

  
Alok Sahu  
Director

  
Amanpreet Singh Bedi  
Director

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## **Pimpri Chinchwad eServices Limited**

### **1. Significant Accounting Policies**

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#### **A. Background**

Pimpri Chinchwad eServices Limited (hereinafter referred as "the Company") was incorporated on September 21, 2010 to carry on the business of Electronic Services provider and other Internet Enabled Services including Consultancy, Networking, Trading, Advertising, Retailing, Promoting, Publishing and others, and to Buy, Lease, or otherwise Acquire, and to sell, Lease, or otherwise offer Web Server Space, either in India or outside India.

#### **B. Basis of Accounting**

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in Indian and comply with the mandatory Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

#### **C. Fixed Assets**

Fixed Assets are stated at cost less depreciation.

#### **D. Depreciation**

- a) Depreciation has been calculated as under:

Depreciation on fixed assets is provided on a prorate basis using the straight-line method based on economic useful life determined by way of periodical technical evaluation.

Economic useful lives which are not exceeding those stipulated in Schedule XIV of the Companies Act, 1956 are as under

Computers      3 Years

- b) Individual assets costing Rs. 5,000 or less are depreciated / amortised fully in the year of acquisition.

#### **E. Provisions and contingencies**

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.

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**F. 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. .

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**Pimpri Chinchwad eServices Limited**

Notes to the Financial Statements as at June 30, 2013

	As at 30.06.2013 ₹/Lakhs	As at 30.06.2012 ₹/Lakhs
<b>2- Share Capital</b>		
<u>AUTHORISED SHARE CAPITAL</u>		
50,000 Equity Shares (2012- 50,000) of Rs.10/- each	5.00	5.00
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

50,000 Equity Shares (2012- 50,000) of Rs.10/- each Fully Paid Up	5.00	5.00
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>

Notes:

	As at 30.06.2013 ₹/Lakhs	As at 30.06.2012 ₹/Lakhs
(i) <b>Shares held by Holding Company</b>		
42,500 (2012- 42,500) Equity shares held by HCL Infosystems Limited, the Holding Company.	4.25	4.25

(ii) Terms and Right attached to equity shares:

The Company has only one class of equity share having a face value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive 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.

(iii) <b>Shareholders Holding more than 5% of Shares Capital</b>	As at 30.06.2013		As at 30.06.2012	
	No of Shares	% of shares	No of Shares	% of shares
(a) HCL Infosystems Limited	42,500	85.00	42,500	85.00
(b) IL&FS Environmental Infrastructure And Services Limited	7,500	15.00	7,500	15.00

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**Pimpri Chinchwad eServices Limited**

Notes to the Financial Statements as at June 30, 2013

**3- Movement in Share Capital and Reserve and Surplus**

Particulars	No. of Shares	(` in Lakhs, except no. of share)	
		Share Capital	Profit/(loss) Account
As at July 1, 2011	50,000	5.00	(0.68)
Issue of equity shares			
Shares bought back during the year			
Profit/(Loss) for the year			(3.60)
As at June 30, 2012	<u>50,000</u>	<u>5.00</u>	<u>(4.28)</u>
As at July 1, 2012	50,000	5.00	(4.28)
Issue of equity shares			
Shares bought back during the year			
Profit/(Loss) for the year			(0.33)
As at June 30, 2013	<u>50,000</u>	<u>5.00</u>	<u>(4.61)</u>

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Pimpri Chinchwad eServices Limited  
 Notes to the Financial Statements as at June 30, 2013

4- Fixed Assets

Particulars	Gross Block			Accumulated Depreciation / Amortisation			Net Block		
	As at 01/07/2012	Addition	Deletions	As at 30/06/2013	As at 01/07/2012	Addition	Deductions	As at 30/06/2013	As at 30/06/2012
Tangible Assets									
Computer	0.16	-	-	0.16	0.03	0.05	-	0.08	0.13
<b>Total</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>0.03</b>	<b>0.05</b>	<b>-</b>	<b>0.08</b>	<b>0.13</b>
Previous Year	-	0.16	-	0.16	-	0.03	-	0.03	-

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**Pimpri Chinchwad eServices Limited**

Notes to the Financial Statements as at June 30, 2013

	<u>As at 30.06.2013 ₹/Lakhs</u>	<u>As at 30.06.2012 ₹/Lakhs</u>
<b>5- Trade Payables</b>		
Trade Payables		
- Outstanding due to other than Micro and Small Enterprises	0.23	0.22
<b>TOTAL</b>	<u>0.23</u>	<u>0.22</u>
<b>6- Cash And Cash Equivalents</b>		
Balances with Banks		
- On Current Account	0.54	0.81
<b>TOTAL</b>	<u>0.54</u>	<u>0.81</u>

**Pimpri Chinchwad eServices Limited**

Notes to the Statement of Profit and Loss for the year ended June 30, 2013

	<u>Year ended 30.06.2013 ₹/Lakhs</u>	<u>Year ended 30.06.2012 ₹/Lakhs</u>
<b>7 - Other Expenses</b>		
Printing and Stationery	-	0.05
Loop Maintenance charges	-	3.21
Legal and Professional	0.28	0.31
<b>TOTAL</b>	<u>0.28</u>	<u>3.57</u>

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8. Contingent Liabilities

Claims against the company not acknowledged as debts - Rs. Nil (2012- Rs. Nil).

9. Estimated value of contracts capital account remaining to be executed and not provided for amount to Rs. Nil (2012- Rs. Nil)..

10. Based on the information available with the Company no enterprise has been identified which is covered under the micro, small and medium enterprises Development Act, 2006. The amount outstanding for the same as on June 30, 2013 is Rs.Nil (2012- Rs. Nil).

11. Remuneration to Auditors

	Amounts in ₹ Lakhs	
	June 30, 2013	June 30, 2012
As Auditor	0.20	0.20
Out of pocket expenses	0.05	0.05

12. Disclosure of related parties and related party transactions.

a. Holding Company

HCL Infosystems Limited  
(Holds 85% equity share capital of the Company)

b. Company having substantial interest

HCL Corporation Private limited (Formerly known as Guddu Investments (Pondi) Private Limited)  
due to substantial interest in voting power

13. The Company's business falls within a single primary business and geographical segment. Accordingly, pursuant to Accounting Standard (AS-17) on Segment Reporting notified under Section 211(3C) of the Companies Act, 1956, segment information is not required to be disclosed.

14. The earning considered in ascertaining the Company's EPS represent profit for the period after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the period.

Calculation of Earnings per share:

Particulars	30.06.2013	30.06.2012
Profit / (Loss) after tax (₹ in lakhs)	(0.33)	(3.60)
Weighted average number of shares considered as outstanding in computation of Basic & Diluted EPS	50,000	50,000
Earnings / (Loss) per share - Basic and Diluted (of Rs. 10/- each)	(0.66)	(7.20)

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15. Previous period figures have been regrouped / rearranged to conform to current year presentation.

As per our report on even date attached

For and on Behalf of Board of Directors

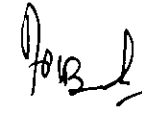
For S D Chopra & Associates  
Chartered Accountants  
Firm Registration Number-003789N



S D Chopra  
Proprietor  
Membership No:82537



Alok Sahu  
Director



Amanpreet Singh Bedi  
Director

Place : nso 10A  
Date : 13/08/2013

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