

## Directors' Report

To the Shareholders,  
**HCL Computing Products Limited**

Your Directors have pleasure in presenting their First 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	(₹ in Lacs)
	<b>Period ended 30<sup>th</sup> June, 2013</b>
Net Sales and other income	Nil
Profit / (Loss) before Interest, Depreciation and Tax	<b>(1.78)</b>
Finance Charges	Nil
Depreciation	Nil
(Loss) before Tax	<b>(1.78)</b>
Provision for Taxation: Current	Nil
: Fringe Benefit	Nil
Net (Loss) after Tax	<b>(1.78)</b>

The current financial year is for the period from 12<sup>th</sup> July, 2012 (Date of Incorporation) to 30<sup>th</sup> June, 2013. Your Company has made a loss after tax of Rs. 1.78 Lacs for the period ended 30<sup>th</sup> June, 2013.

### Business

The Company was incorporated engage into PC manufacturing and channel business.

### Public Deposit

The Company has not accepted any deposits from the public.

### Directors

Mr. Harsh Chitale, Mr. Sandeep Kanwar and Mr. Neeraj Jaitley, were the First Directors of the Company. Mr. Harsh Chitale and Mr. Neeraj Jaitley ceased to be directors w.e.f. 8<sup>th</sup> January, 2013 and 3<sup>rd</sup> July, 2013, respectively.

Mr. Rothin Bhattacharya and Mr. Rajesh Raizada were appointed as Additional Directors of the Company, w.e.f. 4<sup>th</sup> January, 2013 and 25<sup>th</sup> July, 2013, respectively, who hold office up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received notice from members of the Company, under section 257 of the Companies Act, 1956, proposing appointment of Mr. Sandeep Kanwar, Mr. Rothin Bhattacharyya and Mr. Rajesh Raizada as Directors of the Company, along with the requisite deposit.

The office term of Mr. Sandeep Kanwar, Mr. Rothin Bhattacharyya and Mr. Rajesh Raizada will be subject to retirement by rotation.

### 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 Price Waterhouse, 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**

  
Sandeep Kanwar  
Chairman

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

## INDEPENDENT AUDITORS' REPORT

### To the Members of HCL Computing Products Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of HCL Computing Products Limited (the "Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period July 12, 2012 to June 30, 2013, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give 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 of India (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 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 financial statements 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and 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 auditors consider 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the period July 12, 2012 to June 30, 2013; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the period July 12, 2012 to June 30, 2013.



### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 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 4 and 5 of the Order.
8. 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 account 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 account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - (e) On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Abhishek Rara  
Partner  
Membership Number 077779

Place: Gurgaon  
Date: August 13, 2013

## Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of HCL Computing Products Limited on the financial statements as of and for the period July 12, 2012 to June 30, 2013

- i. The Company does not hold any fixed assets during the period ended June 30, 2013. Therefore, the provisions of Clause 4(i) of the Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. The Company has not made any purchase of inventory and fixed assets and sale of goods and services during the year, accordingly the Clause (iv) of the said Order is not applicable to the Company.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Order is not applicable.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (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 regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.  
(b) There are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- x. As the Company is registered for a period less than five years, the provisions of Clause 4(x) of the Order are not applicable to the Company.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.



**Annexure to Independent Auditors' Report**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of HCL Computing Products Limited on the financial statements for the year ended June 30, 2013

Page 2 of 2

- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- xviii. 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 during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the period July 12, 2012 to June 30, 2013 and does not have any debentures outstanding as at the beginning of the period and at the period end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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



Abhishek Rara  
Partner  
Membership Number 077779

Place: Gurgaon  
Date: August 13, 2013

**HCL Computing Products Limited**  
**Balance Sheet as at June 30, 2013**

	<u>Note</u>	<u>As at</u> <u>30.06.2013</u> <u>Rs.</u>
<b>Equity and Liabilities:</b>		
<b>Shareholders' funds</b>		
Share capital	2	1,000,000
Reserves and surplus	3	(177,514)
<b>Current liabilities</b>		
Trade payables	4	190,556
<b>Total Equity and Liabilities</b>		<u><b>1,013,042</b></u>
<b>Assets:</b>		
<b>Current Assets</b>		
Long term loans and advances	5	45,000
<b>Current assets</b>		
Cash and bank balances	6	968,042
<b>Total Assets</b>		<u><b>1,013,042</b></u>

**Significant Accounting Policies**

1

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

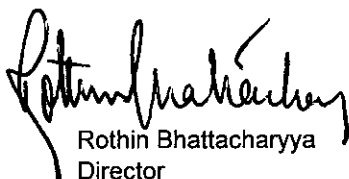
The notes referred to above form an integral part of the Balance Sheet

For Price Waterhouse  
 Firm Registration Number-301112E  
 Chartered Accountants

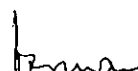
For and on behalf of the Board of Directors



Abhishek Rara  
 Partner  
 Membership Number 077779



Rothin Bhattacharyya  
 Director



Sandeep Kanwar  
 Director

Place : Noida

Dated : August 13 , 2013

**HCL Computing Products Limited**  
**Statement of Profit and Loss for the period July 12, 2012 to June 30, 2013**

	<u>Note</u>	<u>Period July 12, 2012 to June 30, 2013 Rs.</u>
<b>Revenue:</b>		
Other Income	7	256
		<u>256</u>
<b>Expenses:</b>		
Other expenses	8	177,770
		<u>177,770</u>
<b>Loss before tax</b>		(177,514)
Tax expense		-
<b>Loss for the Period</b>		<u>(177,514)</u>
<b>Loss per equity share (in Rs.)</b>		
Basic and Diluted (of Rs. 10/- each)	15	(1.78)
<b>Significant Accounting Policies</b>	1	

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

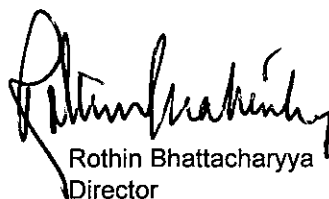
The notes referred to above form an integral part of the Statement of Profit and Loss

For Price Waterhouse  
 Firm Registration Number-301112E  
 Chartered Accountants

For and on behalf of the Board of Directors



Abhishek Rara  
 Partner  
 Membership Number 077779



Rothin Bhattacharyya  
 Director



Sandeep Kanwar  
 Director

Place : Noida  
 Dated : August 13 , 2013



**HCL Computing Products Limited**  
**Cash Flow Statement for the period July 12, 2012 to June 30, 2013**

	Period ended 30.06.2013 Rs.
<b>1. Cash Flow from Operating Activities</b>	
Loss before tax	(177,514)
Operating profit before working capital changes	(177,514)
<b>Adjustments for changes in working capital</b>	
Increase/decrease in liabilities	190,556
Increase/decrease in loans and advances	(45,000)
<b>Net cash used in operating activities (A)</b>	<b>(31,958)</b>
<b>2. Cash Flow from Financing Activities</b>	
Share capital issued	1,000,000
<b>Net cash from financing activities (B)</b>	<b>1,000,000</b>
<b>2. Cash Flow from Investing Activities</b>	
Investment in Banks Deposits (having original maturity of more than three month)	(928,556)
<b>Net cash from investing activities (C)</b>	<b>(928,556)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>39,486</b>
Opening Balance of Cash and Cash Equivalents	-
Closing Balance of Cash and Cash Equivalents	39,486
<b>Cash and Cash Equivalents comprise of:</b>	
Balance with Bank on Current Account	39,486


**Notes:**

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, notified under Section 211(3C) of the Companies Act, 1956.
2. Figures in brackets indicate cash outgo.

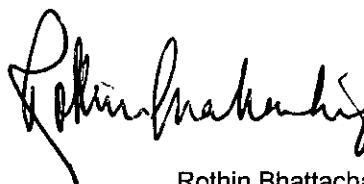
This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse  
 Firm Registration Number-301112E  
 Chartered Accountants

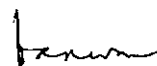
For and on behalf of the Board of Directors



Abhishek Rara  
 Partner  
 Membership Number 077779



Rothin Bhattacharyya  
 Director



Sandeep Kanwar  
 Director

Place : Noida  
 Dated : August 13, 2013

## HCL Computing Products Limited

### 1. Significant Accounting Policies

#### a. Background

HCL Computing Products Limited (hereinafter referred as "the Company") was incorporated on July 12, 2012 as a wholly owned subsidiary of HCL Infosystems Limited for the purposes of investing as promoters, shareholders, joint venture partner, associate, manager and owners in any firm, company or body corporate. HCL Computing Products Limited is to engage in the business of Computing Products Manufacturing and Channel Business.

#### 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.

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 VI to the Companies Act, 1956. Based on the nature of business 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.

#### c. 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.

#### d. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



**HCL Computing Products Limited**  
**Notes to the Financial Statements**

As at  
**30.06.2013**  
Rs.

**2. Share Capital**

**Authorised:**

100,000 Equity Shares of Rs. 10/- each	1,000,000
	<b>1,000,000</b>

**Issued, Subscribed and Paid up:**

100,000 Equity Shares of Rs. 10/- each fully paid up (Wholly owned subsidiary of HCL Infosystems Limited by virtue of 99,996 Equity Shares held directly by HCL Infosystems Limited (Holding Company) and 4 Equity Shares held by the nominee shareholders of HCL Infosystems Limited).	1,000,000
	<b>1,000,000</b>

**Rights attached to Equity Shares:**

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

**3. Reserves and Surplus**

**Debit in the Statement of Profit and Loss:**

Balance as at the beginning of the year	-
Loss for the period	(177,514)
Balance as at the end of the period	<b>(177,514)</b>

**4. Trade payables**

Payables (Other than Micro and Small Enterprises) (Refer Note 11)	190,556
	<b>190,556</b>

**5. Long term loans and advances**

Deposits with sales tax authorities	45,000
	<b>45,000</b>

**6. Cash and bank balances**

**Cash and cash equivalents:**

Balances with Banks on Current Account	39,486
Bank deposits with original maturity of three months or less	928,556

**968,042**



**HCL Computing Products Limited**  
**Notes to the Financial Statements**

**Period ended**  
**30.06.2013**  
**Rs.**

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**7. Other Income**

Interest income on fixed deposits

256

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**256**

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**8. Other expenses**

Legal and Professional (Refer Note 12)

123,596

Preliminary Expenses

51,960

Bank charges

2,214

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**177,770**

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9. Contingent Liabilities

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

10. Estimated value of contracts capital account remaining to be executed and not provided for amount to Rs. Nil.

11. 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.

12. Remuneration to Auditors\*

	30.06.2013 Rs.
Statutory Audit	100,000
Out-of-Pocket Expenses	10,000

\* Excluding service tax

13. Disclosure of related parties and related party transactions.

a. Holding Company

HCL Infosystems Limited  
(Holds 100% Share capital of the Company)

b. Summary of Related Party Transactions

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

Amount (Rs.)

	30.06.2013
<b>A. Transactions during the year</b>	<b>Holding Company</b>
Equity share capital issued	1,000,000
Expense reimbursement	66,960
<b>B. Balance outstanding as at the year end</b>	
Trade Payable	66,960
Equity share capital	1,000,000

14. The Company's business falls within a single primary business and geographical segment i.e. Computing Products Manufacturing and Channel Business. 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.

15. 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:

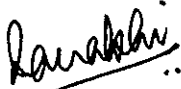
<u>Particulars</u>	<u>30.06.2013</u>
Loss after tax (Rs.)	(177,514)
Weighted average number of shares considered as outstanding in computation of Basic & Diluted EPS	100,000
Loss per share - Basic and Diluted (of Rs. 10/- each)	(1.78)

16. These accounts are for the period from July 12, 2012, the date of incorporation, to June 30, 2013. This being the first accounting period, no previous year's figures have been disclosed.

As per our report on even date attached

For and on Behalf of Board of Directors

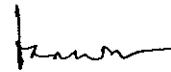
For Price Waterhouse  
Firm Registration Number-301112E  
Chartered Accountants



Abhishek Rara  
Partner  
Membership No:077779



Pothin Bhattacharyya  
Director



Sandeep Kanwar  
Director

Place : Noida  
Date : August 13, 2013