

Directors' Report

**To the Shareholders,
HCL Care Limited**

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

Financial Highlights

The financial details are as under:

Particulars	(₹ in Lacs)
	Period ended 30 th June, 2013
Net Sales and other income	Nil
(Loss) before Tax	(0.77)
Provision for Taxation: Current	Nil
Net (Loss) after Tax	(0.77)

The current financial year is for the period from 28th September, 2012 (Date of Incorporation) to 30th June, 2013.

Business Outlook

Your Board of Directors had at its meeting held on 14th January, 2013, approved a business restructuring plan consisting of a Composite Scheme of Arrangement (the Scheme) under the provisions of Section 391 and 394 of the Companies Act, 1956. The Scheme inter-alia envisages transfer of the Services business (the "Transferred Undertaking") of HCL Infosystems Limited to the Company. 1st January, 2013 has been fixed as the Appointed Date.

The Scheme is subject to requisite sanction of the Hon'ble High Court of Judicature at Delhi and other regulatory authorities. HCL Infosystems Limited continues to carry on business and activities in relation to the Transferred Undertaking on account of and in trust for the Companies until all the requisite approval and formalities are completed.

Public Deposit

The Company has not accepted any deposits from the public.

Directors

Mr. Harsh Chitale, Mr. Sandeep Kanwar and Mr. Rothin Bhattacharyya, were the First Directors of the Company. Mr. Harsh Chitale ceased to be director w.e.f. 8th January, 2013.

Mr. Neeraj Jaitley was appointed as Additional Director of the Company, w.e.f. 4th January, 2013 who hold office up to the date of the forthcoming Annual General Meeting of the Company. Mr. Neeraj Jaitley ceased to be director w.e.f. 3rd July, 2013.

Mr. Vivek Srinivas Punekar was appointed as Additional Director of the Company, w.e.f. 25th July, 2013 and hold office up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received notices along with the requisite deposit from members of the Company, under section 257 of the Companies Act, 1956, proposing appointment of Mr. Sandeep Kanwar, Mr. Rothin Bhattacharyya and Mr. Vivek Srinivas Punekar as Directors of the Company with office term 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 30th 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 : 13th August, 2013**

S. D. CHOPRA & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Independent Auditor's Report to the members of HCL CARE LIMITED

1. Report on the financial statements

We have audited the accompanying financial statements of HCL CARE LIMITED, which comprise the Balance Sheet as at 30th June, 2013 and the statement of Profit and Loss and the Cash Flow Statement for the period 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2

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 30th June, 2013;
- b. in the case of the statement of Profit and Loss, of the loss for the period ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flow for the period 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 30th June, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2013 from being appointed as a director in terms of clause (g) of sub section of Section 274 of the Companies Act, 1956

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



S.D. Chopra
Proprietor

Membership No. 82537

Place: Noida

Date: 13/8/2012

Annexure to the Auditor's Report

The Annexure referred to in our report to the member of HCL CARE LIMITED ('the Company') for the period ended 30th 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 period 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 period.

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 period 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 period. 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 30th 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 not more than 50% of its net worth and it has incurred cash losses in the financial period ended on that date.

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 period.

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 fund 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 period.

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

✓

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 period.

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



S.D. Chopra
Proprietor

Membership No. 82537

Place: Noida

Date: 13/08/2013

ICL CARE Limited
Balance Sheet as at June 30, 2013

As at
30.06.2013
₹/Lakhs

	<u>Notes</u>		
Equity and Liabilities:			
Shareholders' funds			
Share capital	2, 3	5.00	
Reserves and surplus	3	<u>(0.77)</u>	4.23
Current Liabilities			
Trade payables	4	0.76	0.76
Total equity and liabilities			<u>4.99</u>
Assets:			
Current Assets			
Cash and cash equivalents	5	4.99	4.99
Total Assets			<u>4.99</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 S D Chopra & Associates
Chartered Accountants
Firm Registration Number-003789N

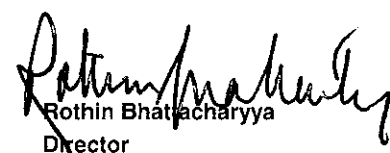


S D Chopra
Proprietor
Membership Number 82537

For and on behalf of the Board of Directors



Sandeep Kanwar
Director



Rohin Bhatnagar
Director

Place : Noida

Date : 13/08/2013

HCL CARE Limited

Statement of Profit and Loss for the period ended June 30, 2013

	Notes	Period Ended 30.06.2013 ₹/Lakhs
Revenue		
Revenue from operations		-
Expenses		
Other expenses	6	0.77
		0.77
Profit/(Loss) before exceptional and extraordinary items and tax		(0.77)
Exceptional items		-
Profit/(Loss) before extraordinary items and tax		(0.77)
Extraordinary items		-
Profit/(Loss) before tax		(0.77)
Tax expense		
- Current tax		
- Deferred tax		-
Profit/(Loss) for the period		(0.77)
Earning per equity share (in ₹)		
Basic (of ₹ 10/- each)		(2.04)
Diluted (of ₹ 10/- each)		(2.04)

Significant Accounting Policies

1

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



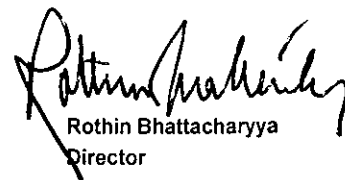
S D Chopra
Proprietor
Membership Number 82537

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



Sandeep Kanwar
Director



Rothin Bhattacharyya
Director

Place : Noida

Dated : 13/08/2013

HCL CARE Limited

Cash Flow Statement for the Period ended June 30 2013


Particulars	Period ended 30.06.2013 ₹/Lakhs
A. Cash Flow from Operating Activities:	
Net Profit / (Loss) before Tax	(0.77)
Operating Profit/(Loss) before working capital changes	(0.77)
Increase / (Decrease) in Trade Payables	0.76
Cash used in operations	(0.01)
Net Cash used in operating activities	(0.01)
B. Cash Flow from Investing Activities :	
Net Cash generated from (used in) Investing Activities	-
C. Cash Flow from Financing Activities :	
Share capital issued during the year	5.00
Net cash generated from (used in) financing activities	5.00
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	4.99
Cash & Cash Equivalents, beginning of the Period	-
Cash & Cash Equivalents, end of the Period	4.99
Net Increase/ (Decrease) as disclosed above	4.99

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


Sandeep Kanwar
Director


Rothin Bhattacharyya
Director

HCL CARE Limited

1. Significant Accounting Policies

A. Background

HCL CARE Limited (hereinafter referred as "the Company"), subsidiary of HCL Infocom Limited, was incorporated on September 28, 2012 to carry on the Services business comprising mainly of IT infrastructure managed services, break-fix services, cloud services, after-sales support services, enterprise application services either in India or outside India.

These financial statements are for the period September 28, 2012 to June 30, 2013.

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. 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.

D. 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.

[Handwritten signature]



HCL CARE Limited

Notes to the Financial Statements as at June 30, 2013

As at
30.06.2013
₹/Lakhs**2- Share Capital**AUTHORISED SHARE CAPITAL

50,000 Equity Shares of Rs.10/- each 5.00

TOTAL 5.00ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL50,000 Equity Shares of Rs.10/- each 5.00
Fully Paid Up**TOTAL** 5.00

Notes:

As at
30.06.2013
₹/Lakhs**(i) Shares held by Holding Company**

50,000 Equity shares held by HCL Infocom Limited, the Holding Company.

5.00

(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) Shareholders Holding more than 5% of Shares Capital

	As at 30.06.2013	
	No of Shares	% of shares
HCL Infocom Limited	50,000	100.00



HCL CARE 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, 2012			
Issue of equity shares	50,000	5.00	
Shares bought back during the period			
Profit/(Loss) for the period			(0.77)
As at June 30, 2013	50,000	5.00	(0.77)



HCL CARE Limited

Notes to the Financial Statements as at June 30, 2013

As at
30.06.2013
₹/ Lakhs

4- Trade Payables

Trade Payables	
- Outstanding due to other than Micro and Small Enterprises	0.76
TOTAL	<u>0.76</u>

5- Cash And Cash Equivalents

Balances with Banks	
- On Current Account	4.99
TOTAL	<u>4.99</u>

HCL CARE Limited

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

period ended
30.06.2013
₹/ Lakhs

6 - Other Expenses

Preliminary Expenses	0.53
Legal and Professional Charges	0.23
Miscellaneous Expenses	0.01
TOTAL	<u>0.77</u>

lv



7. Contingent Liabilities

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

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

9. 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.

10. Remuneration to Auditors

Amounts in ₹ Lakhs

	June 30, 2013
As Auditor (Including service tax)	0.23

11. Disclosure of related parties and related party transactions.

a. Holding Company

HCL Infosystems Limited
(Holding Company of HCL Infocom Limited)

HCL Infocom Limited
(Holds 100% equity 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.

Amounts in ₹ Lakhs

Transactions with Holding company	30.06.2013
Investment	5.00
Reimbursement received towards expenditure made.	0.53
Balances due to Holding company	
Trade payable as at 30 June 2013	0.53

12. 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.

13. The Board of Directors of the Company had at its meeting held on January 14, 2013, approved a Composite Scheme of Arrangement (the Scheme) under the provisions of Section 391 and 394 of the Companies Act, 1956. The Scheme inter- alia envisages transfer of Service Business from HCL Infosystems Ltd to the Company. January 1, 2013 has been fixed as the Appointed Date. The Scheme is subject to requisite consent from Hon'ble High Court of Judicature at Delhi and other statutory or regulatory authorities.

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

h



Calculation of Earnings(Loss) per share:

<u>Particulars</u>	<u>30.06.2013</u>
Profit / (Loss) after tax (₹ in lakhs)	(0.77)
Weighted average number of shares considered as outstanding in computation of Basic & Diluted EPS	37,808
Earnings / (Loss) per share - Basic and Diluted (of Rs. 10/- each)	(2.04)

15. These accounts are for the period from September 28, 2012, the date of incorporation, to June 30, 2013. This being the first accounting period, no previous year's figures have been given.

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



Sandeep Kanwar
Director



Rothin
Bhattacharyya
Director

Place : *NOIDA*
Date : *13/08/2013*