

**HCL COMPUTING PRODUCTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Price Waterhouse

Chartered Accountants

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

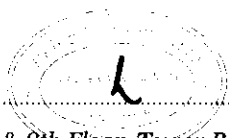
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at June 30, 2015, and its loss and its cash flows for the year ended on that date.

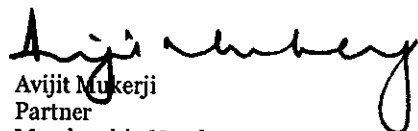


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Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on June 30, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at June 30, 2015 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at June 30, 2015.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended June 30, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Avijit Mukerji
Partner
Membership Number: 056155

Place: Gurgaon
Date: August 20, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 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 year ended June 30, 2015

- i. The Company does not hold any fixed assets during the year ended June 30, 2015. Therefore, the provisions of Clause 3(i) of the Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (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, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise which have not been deposited on account of any dispute.

(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. 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 3(ix) of the Order are not applicable to the Company.
- x. 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 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. 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



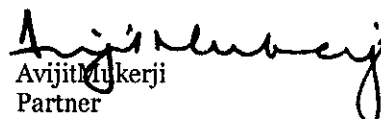
Annexure to Independent Auditors' Report

Referred to in paragraph 9 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, 2015

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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


Avijit Mukerji
Partner
Membership Number: 056155

Place: Gurgaon
Date: August 20, 2015

HCL Computing Products Limited
Balance Sheet as at June 30, 2015

	<u>Note</u>	<u>As at 30.06.2015 Rs.</u>	<u>As at 30.06.2014 Rs.</u>
Equity and Liabilities:			
Shareholders' funds			
Share capital	2	1,000,000	1,000,000
Reserves and surplus	3	(301,754)	(200,766)
Current liabilities			
Trade payables	4	439,552	314,152
Total Equity and Liabilities		<u>1,137,798</u>	<u>1,113,386</u>
Assets:			
Non Current Assets			
Long term loans and advances	5	45,000	45,000
Current assets			
Cash and bank balances	6	1,085,531	1,037,990
Short term loan and advance	7	7,267	-
Other current assets	8	-	30,396
Total Assets		<u>1,137,798</u>	<u>1,113,386</u>

Significant Accounting Policies


1


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

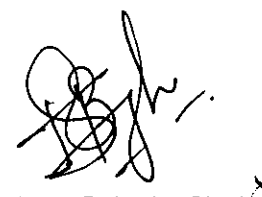
The notes referred to above form an integral part of the Balance Sheet

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

For and on behalf of the Board of Directors


Avijit Mukerji
Partner
Membership Number 056155


Sunil Kumar Srivastava
Director
DIN-00259961


Jagat Bahadur Singh
Director
DIN-07076029

Place : Noida
Dated : August 20, 2015


S G MURALI
Group Chief Financial Officer

HCL Computing Products Limited
Statement of Profit and Loss for the year ended June 30, 2015

	Note	Year ended 30.06.2015 Rs.	Year ended 30.06.2014 Rs.
Revenue:			
Other Income	9	54,234	115,894
		<u>54,234</u>	<u>115,894</u>
Expenses:			
Other expenses	10	155,222	139,146
		<u>155,222</u>	<u>139,146</u>
Loss before tax		(100,988)	(23,252)
Tax expense		-	-
Loss for the Year		(100,988)	(23,252)
Loss per equity share (in Rs.)			
Basic and Diluted (of Rs. 10/- each)	17	(1.01)	(0.23)

Significant Accounting Policies

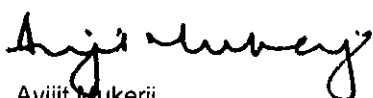
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This is the Statement of Profit and Loss referred to in our report of even date

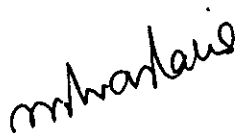
The notes referred to above form an integral part of the Statement of Profit and Loss

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

For and on behalf of the Board of Directors



Avijit Mukerji
Partner
Membership Number 056155



Sunil Kumar Srivastava
Director
DIN-00259961



Jagat Bahadur Singh
Director
DIN-07076029



S G MURALI
Group Chief Financial Officer

Place : Noida
Dated : August 20, 2015

HCL Computing Products Limited
Cash Flow Statement for the year ended June 30, 2015

	Year ended 30.06.2015 Rs.	Year ended 30.06.2014 Rs.
1. Cash Flow from Operating Activities		
Loss before tax	(100,988)	(23,252)
Operating profit before working capital changes	(100,988)	(23,252)
Adjustments for changes in working capital		
Increase/(decrease) in liabilities	125,400	123,596
(Increase)/decrease in loans and advances	30,396	(30,396)
Cash used in operating activities	54,808	100,344
Taxes paid (net of refunds)	(7,267)	-
Net cash used in operating activities (A)	47,541	100,344
2. Cash Flow from Financing Activities		
Net cash from financing activities (B)	-	-
3. Cash Flow from Investing Activities		
Net cash from investing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	47,541	100,344
Opening Balance of Cash and Cash Equivalents	1,037,990	-
Closing Balance of Cash and Cash Equivalents	1,085,531	1,068,386
Cash and Cash Equivalents comprise of:		
Balance with Bank on Current Account	1,085,531	1,068,386


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 Companies (Accounting Standard) Rules 2006, as amended and other relevant provisions of the Companies Act, 2013.

2. Figures in brackets indicate cash outgo.

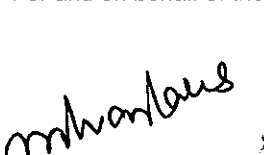
This is the Cash Flow Statement referred to in our report of even date

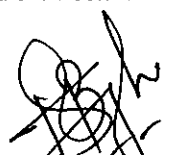
For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants


Avijit Mulerji
Partner
Membership Number 056155

Place : Noida
Dated : August 20, 2015

For and on behalf of the Board of Directors


Sunil Kumar Srivastava
Director
DIN-00259961


Jagat Bahadur Singh
Director
DIN-07076029


S G MURALI
Group Chief Financial Officer

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

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) (Companies Accounting Standards Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

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 III to the Companies Act, 2013. Based on the nature of products 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

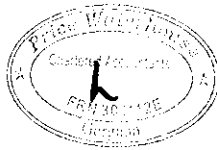
In the cash flow statement, cash and cash equivalents include demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

e. Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates contracted in the transaction.



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. Examples of such estimates include estimate of cost expected to be incurred to complete performance under composite arrangements, income taxes, provision for warranty, employment benefit plans, provision for doubtful debts and estimated useful life of the fixed assets. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. 



HCL Computing Products Limited
Notes to the Financial Statements

	As at 30.06.2015 Rs.	As at 30.06.2014 Rs.
2. Share Capital		
Authorised:		
100,000 Equity Shares of Rs. 10/- each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
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 99,994 Equity Shares held directly by HCL Infosystems Limited (Holding Company) and 6 Equity Shares held by the nominee shareholders of HCL Infosystems Limited).	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
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.		
Shareholderes holding more than 5% of the aggregate Share in the company	Number of	% of shares
HCL Infosystems Limited, the holding company	100,000	100%
	100,000	100%
3. Reserves and Surplus		
Debit in the Statement of Profit and Loss:		
Balance as at the beginning of the year	(200,766)	(200,766)
Loss for the year	(100,988)	-
Balance as at the end of the year	<u>(301,754)</u>	<u>(200,766)</u>
4. Trade payables		
Payables (Other than Micro and Small Enterprises) (Refer Note 13)	439,552	314,152
	<u>439,552</u>	<u>314,152</u>
5. Long term loans and advances		
Deposits with sales tax authorities	45,000	45,000
	<u>45,000</u>	<u>45,000</u>
6. Cash and bank balances		
Cash and cash equivalents:		
Balances with Banks on Current Account	1,085,531	23,936
Bank deposits with original maturity of three months or less	-	1,014,054
	<u>1,085,531</u>	<u>1,037,990</u>
7. Short term loan and advance		
Advance Income Tax	7,267	-
[Net of provision for income tax Rs Nil (2014, Rs Nil)]	<u>7,267</u>	<u>-</u>
8. Other current assets		
Interest accrued on Bank Deposits	-	30,396
	<u>-</u>	<u>30,396</u>



HCL Computing Products Limited
Notes to the Financial Statements

9. Other Income

Interest income on fixed deposits

Year ended 30.06.2015 Rs.	Year ended 30.06.2014 Rs.
54,234	115,894
54,234	115,894

10. Other expenses

Legal and Professional (Refer Note 14)

Bank charges

Miscellaneous Expenses

153,804	138,596
618	550
800	-
155,222	139,146



11. Contingent Liabilities

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

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

13. 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.

14. Remuneration to Auditors*

	30.06.2015 Rs.	30.06.2014 Rs.
Statutory Audit	100,000	100,000
Out-of-Pocket Expenses	10,000	10,000

* Excluding service tax

15. Disclosure of related parties and related party transactions.

a. Holding Company

HCL Infosystems Limited

b. Summary of Related Party Transactions

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

Amount (Rs.)

	30.06.2015	30.06.2014
A. Transactions during the year	Holding Company	Holding Company
Expense reimbursement	-	123,596
B. Balance outstanding as at the year end		
Trade Payable	314,152	190,556
Equity share capital	1,000,000	1,000,000

16. 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.



17. 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	30.06.2015	30.06.2014
Profit (Loss) after tax (Rs.)	(100.988)	(23,252)
Weighted average number of shares considered as outstanding in computation of Basic & Diluted EPS	100,000	100,000
Loss per share - Basic and Diluted (of Rs. 10/- each)	(1.01)	(0.23)

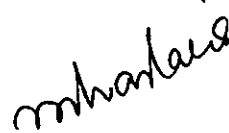
As per our report on even date attached

For and on Behalf of Board of Directors

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants



Avijit Mukerji
Partner
Membership No:056155



Sunil Kumar Srivastava
Director
DIN-00259961



Jagat Bahadur Singh
Director
DIN-07076029



S G MURALI
Group Chief Financial
Officer

Place : Noida

Dated: August 20, 2015