

## Directors' Report

To the Shareholders,  
Pimpri Chinchwad eServices 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, 2011.

### Financial Highlights

The financial details are as under:

Particulars	(Rs. in Lacs)
	Period ended 30 <sup>th</sup> June, 2011
Net Sales and other income	Nil
Profit / (Loss) before Interest, Depreciation and Tax	(0.68)
Finance Charges	Nil
Depreciation	Nil
(Loss) before Tax	(0.68)
Provision for Taxation: Current	Nil
: Fringe Benefit	Nil
Net (Loss) after Tax	(0.68)

The current financial year is for the period from 21<sup>st</sup> September, 2010 (Date of Incorporation) to 30<sup>th</sup> June, 2011. Your Company has made a loss after tax of Rs 0.68 Lacs for the period ended 30<sup>th</sup> June, 2011.

### Business Outlook

Your Company is a 100% subsidiary of HCL Infosystems Limited. Your Company proposes to enter into a Joint Venture (JV) with Infrastructure Leasing and Financial Services Limited (IL&FS) for engaging 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. J.V. Ramamurthy, Mr. Hari Baskaran and Mr. Suman Ghose Hazra, the First Directors, ceased to be Directors of the Company with effect from 10<sup>th</sup> December, 2010.

Mr. Rajeev Asija, Mr. Saurabh Kumar and Mr. Alok Sahu were appointed as Additional Directors of the Company, with effect from 10<sup>th</sup> December, 2010, who hold office up to the date of the forthcoming Annual General Meeting of the Company. The Board considers that the continuance of the aforesaid Directors on the Board shall be in the interest of your Company. The Directors being eligible have offered themselves for re-appointment.

### Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on the representations received from the operating management, 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, 2010 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.

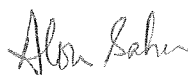
The Notes to Accounts are self explanatory and therefore does not call for any further comments.

#### 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



Director



Director

Place : Noida  
Date : 5<sup>th</sup> August, 2011

Pimpri Chinchwad eServices Limited

Balance Sheet as at 30th June, 2011

	<u>Schedule</u>	<u>As at 30.06.2011 Rs.</u>
<b>SOURCES OF FUNDS</b>		
Shareholders' Funds :		
Capital	1	500,000
Total		<u>500,000</u>
<b>APPLICATION OF FUNDS :</b>		
Current Assets, Loans & Advances	2	
Cash and Bank Balances		454,325
		<u>454,325</u>
Less :Current Liabilities & Provisions	3	
Current Liabilities		22,060
		<u>22,060</u>
Net Current Assets		432,265
Miscellaneous expenditure		
Profit & Loss Account		67,735
Total		<u>500,000</u>
Significant Accounting Policies and Notes to Accounts	5	

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

For S D Chopra & Associates  
Chartered Accountants

S D Chopra  
Proprietor  
M. No. 82537

Place : Noida  
Date : 5th August, 2011

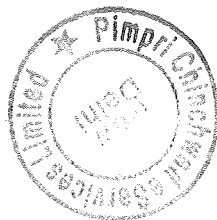
For and on Behalf of Board of Directors



Alok Sahu  
Director



Saurabh Kumar  
Director



Pimpri Chinchwad eServices Limited

Profit and Loss account for the period ended June 30, 2011

	<u>Schedule</u>	Period ended 30.06.2011 Rs.
Income		
Total		-
Expenditure		
Legal & Professional Charges		
Miscellaneous Expenses	4	26,102.00
Preliminary Expenses		550.00
Total		<u>41,083</u>
		<u>67,735</u>
Profit/(Loss) for the year		(67,735)
Loss Brought Forward		-
Balance carried over		<u>(67,735)</u>
Basic and diluted earning/(loss) per equity share of Rs. 10/- each.		(1.35)

Significant Accounting Policies and Notes to Accounts 5

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

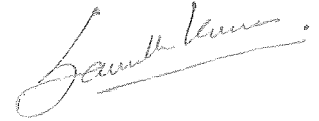
For S D Chopra & Associates  
Chartered Accountants

For and on Behalf of Board of Directors

S D Chopra  
Proprietor  
M. No. 82537

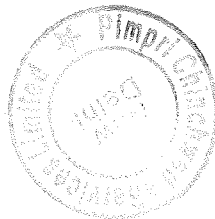


Alok Sahu  
Director



Saurabh Kumar  
Director

Place : Noida  
Date : 5th August, 2011



Pimpri Chinchwad eServices Limited

Cash Flow Statement for the period ended June 30 2011

Particulars	For the period ended 30th June 2011
	(Rupees)
<b>A. Cash Flow from Operating Activities:</b>	
Net Profit / (Loss) before Tax	-67,735
Operating Profit/(Loss) before working capital changes	-67,735
Current Liabilities & Provisions	22,060
Cash used in operations	-45,675
Income Tax Paid	-
<b>Net Cash used in operating activities</b>	<b>-45,675</b>
<b>B. Cash Flow from Investing Activities :</b>	
<b>Net Cash generated from (used in) Investing Activities</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities :</b>	
<b>Net cash generated from (used in) financing activities</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-45,675</b>
Cash & Cash Equivalents, beginning of the year	500,000
Cash & Cash Equivalents, end of the year	454,325
<b>Net Increase/ (Decrease) as disclosed above</b>	<b>-45,675</b>

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

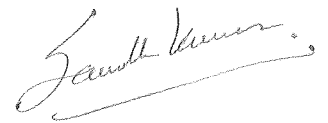
For S. D. Chopra & Associates  
Chartered Accountants

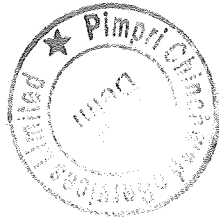
S. D. Chopra  
Proprietor  
M. No. 82537

Place : Noida  
Date : 5th August, 2011

For and on Behalf of Board of Directors

  
Alok Sahu  
Director

  
Saurabh Kumar  
Director



Schedules to the Balance Sheet

As at  
30.06.2011  
Rs.

1. Share Capital

AUTHORISED

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

500,000

ISSUED, SUBSCRIBED AND PAID UP

50,000 Equity Shares of Rs.10/- each  
fully paid up.

500,000

500,000

The entire paid up share capital is held by HCL Infosystems Limited, the Holding Company.

2. Current Assets, Loans and Advances

Cash and Bank Balances

- in Current Account with Scheduled Bank

454,325

454,325

3. Current Liabilities and Provisions

Audit Fee Payable

22,060

22,060

4. Legal and Professional Charges

Professional charges

Filing Fees

24,266

1,836

26,102



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## Pimpri Chinchwad eServices Limited

### Schedule -5

#### A) Significant Accounting Policies

##### 1. Background

Pimpri Chinchwad eServices Limited (hereinafter referred as "the Company") was incorporated on September 21, 2010 as a wholly owned subsidiary of HCL Infosystems Limited 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.

These financial statements are for the period September 21, 2010 to June 30, 2011. In the current period, the Company has not incurred any expenses on personnel cost.

##### 2. Basis of Accounting

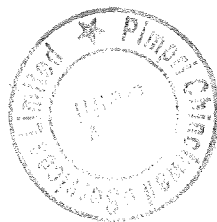
The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in Indian and comply with the mandatory Accounting Standards notified under section 211(3C)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

##### 3. 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.

##### 4. 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. .



A handwritten signature in blue ink.

**B) Notes to Accounts**

1. Contingent Liabilities  
Claims against the company not acknowledged as debts - Rs. Nil.
2. Estimated value of contracts capital account remaining to be executed and not provided for amount to Rs. Nil.
3. 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, 2011 is Rs.Nil.

4. Remuneration to Auditors

	June 30, 2011 ( Rs.)
As Auditor *	22060

\*. Including service tax

5. 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.

6. **Disclosure of related parties and related party transactions.**

a. **Holding Company**

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

b. **Company having substantial interest**

Guddu Investments (Pondi) Private Limited due to substantial interest in voting power

c. **Key Management Person**

Rajeev Asija  
Alok Sahu  
Saurabh Kumar

d. **Fellow Subsidiaries**

HCL Infinet Limited  
HCL Security Limited  
HCL Infocom Limited  
HCL Insys Pte. Limited, Singapore  
RMA Software Park Private Limited  
HCL Infosystems MEA FZCO, Dubai  
Techmart Telecom Distribution FZCO, Dubai  
HCL Investments Pte. Ltd., Singapore  
HCL Infosystems South Africa (Pty) Limited

e. **Others**

Koura & Co



AS

SK



f. **Summary of Related Party Transactions**

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

A	Transactions	Holding Company	Others	Total
	Reimbursement towards expenditure made HCL Infosystems Ltd.	41,083	-	41,083
B	Amount due to/ from related parties			
	Investment	500,000	-	500,000

7. 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	30.06.2011
Profit after tax (Rs.)	(67735)
Weighted average number of shares considered as outstanding in computation of Basic & Diluted EPS	50000
Earning per share - Basic and Diluted (of Rs. 10/- each)	(1.35)

8. Disclosure as per Clause 32 of the listing agreement of HCL Infosystems Limited, the Holding Company:
- No loans and advances in the nature of loans have been given during the period to any subsidiary, associate or firms/Companies in which the directors are interested.
  - The Company had no employees during the period under review and hence there is no loan granted to them.
9. These accounts are for the period from 21<sup>st</sup> September, 2010, the date of incorporation, to 30<sup>th</sup> June, 2011. This being the first accounting period, no previous year figures' have been given.

As per our report on even date attached  
For S D Chopra & Associates  
Chartered Accountants

For and on Behalf of Board of Directors

S D Chopra  
Proprietor

Alok Sahu  
Director

Saurabh Kumar  
Director

Place : Noida  
Date : 5th August, 2011

