

Directors' Report

To the Shareholders, HCL Computing Products Limited

Your Directors have pleasure in presenting their Second Annual Report together with the Audited Accounts for the financial period ended 30th June, 2014.

Financial Highlights

The financial details are as under:

Particulars	(Rs. in Lacs)	
	Year ended 30 th June, 2014	Year ended 30 th June, 2013
Net Sales and other income	Nil	Nil
Profit / (Loss) before Interest, Depreciation and Tax	(0.23)	(1.78)
Finance Charges	Nil	Nil
Depreciation	Nil	Nil
(Loss) before Tax	(0.23)	(1.78)
Provision for Taxation	Nil	Nil
Net (Loss) after Tax	(0.23)	(1.78)

Your Company has made a loss after tax of Rs. 0.23 Lacs for the period ended 30th June, 2014 against Rs. 1.78 Lacs in the previous year.

Public Deposit

The Company has not accepted any deposits from the public.

Directors

In terms of provisions of the Companies Act, 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rothin Bhattacharyya, Director is retiring by rotation and being eligible, has offered himself for re-appointment.

Directors' Responsibility Statement

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- b. appropriate accounting policies have been selected and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2014 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 Auditors' Report is unqualified. The Notes to Accounts are self explanatory and therefore do not call for any further comments.

Compliance Certificate

Your Company has received Statutory Compliance Certificate from M/s V.K. Chaudhary & Co., practicing Company Secretaries, for the financial Year ended on 30th June, 2014.

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
DIN: 00005464**

**Place : Noida
Date : 28th August, 2014**

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, 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

Place: Gurgaon Partner
Date: August 28, 2014

Abhishek Rara
Membership Number 077779

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 year ended June 30, 2014

- i. The Company does not hold any fixed assets during the year ended June 30, 2014. 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. (a) 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.

(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- 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) 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, 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.

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 year ended June 30, 2014

Page 2 of 2

- 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.
- 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 funds 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 year and does not have any debentures outstanding as at the beginning of the year and at the year 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 28, 2014

HCL Computing Products Limited
Balance Sheet as at June 30, 2014

<u>Note</u>	<u>As at 30.06.2014 Rs.</u>	<u>As at 30.06.2013 Rs.</u>
Equity and Liabilities:		
Shareholders' funds		
Share capital	2	1,000,000
Reserves and surplus	3	(200,766)
Current liabilities		
Trade payables	4	314,152
Total Equity and Liabilities	<u>1,113,386</u>	<u>1,013,042</u>
Assets:		
Non Current Assets		
Long term loans and advances	5	45,000
Current assets		
Cash and bank balances	6	1,037,990
Other Current Assets	7	30,396
Total Assets	<u>1,113,386</u>	<u>1,013,042</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 28, 2014

HCL Computing Products Limited
Statement of Profit and Loss for the period July 01, 2013 to June 30, 2014

	<u>Note</u>	<u>Year ended 30.06.2014 Rs.</u>	<u>Period ended 30.06.2013 Rs.</u>
Revenue:			
Other Income	8	115,894	256
		<u>115,894</u>	<u>256</u>
Expenses:			
Other expenses	9	139,146	177,770
		<u>139,146</u>	<u>177,770</u>
Loss before tax		(23,252)	(177,514)
Tax expense		-	-
Loss for the Year		<u>(23,252)</u>	<u>(177,514)</u>
Loss per equity share (in Rs.)			
Basic and Diluted (of Rs. 10/- each)	16	(0.23)	(1.78)
Significant Accounting Policies	1		

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

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

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

Abhishek Rara
Partner
Membership Number 077779

Rothin Bhattacharyya
Director

Sandeep Kanwar
Director

Place : Noida
Dated : August 28, 2014

HCL Computing Products Limited
Cash Flow Statement for the period July 01, 2013 to June 30, 2014

	Year ended 30.06.2014 Rs.	Period ended 30.06.2013 Rs.
1. Cash Flow from Operating Activities		
Loss before tax	(23,252)	(177,514)
Operating profit before working capital changes	(23,252)	(177,514)
Adjustments for changes in working capital		
Increase/decrease in liabilities	123,596	190,556
Increase/decrease in loans and advances and other assets	(30,396)	(45,000)
Net cash used in operating activities (A)	69,948	(31,958)
2. Cash Flow from Financing Activities		
Share capital issued	-	1,000,000
Net cash from financing activities (B)	-	1,000,000
3. Cash Flow from Investing Activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	69,948	968,042
Opening Balance of Cash and Cash Equivalents	968,042	-
Closing Balance of Cash and Cash Equivalents	1,037,990	968,042
Cash and Cash Equivalents comprise of:	1,037,990	968,042
Balance with Bank on Current Account	23,936	39,486
Balances with Banks on Deposits Accounts	1,014,054	928,556

Notes:

- 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.
- 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 28, 2014

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 30.06.2014 Rs.	As at 30.06.2013 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.		
3. Reserves and Surplus		
Debit in the Statement of Profit and Loss:		
Balance as at the beginning of the year	(177,514)	-
Loss for the period	(23,252)	(177,514)
Balance as at the end of the period	<u>(200,766)</u>	<u>(177,514)</u>
4. Trade payables		
Payables (Other than Micro and Small Enterprises) (Refer Note 12)	314,152	190,556
	<u>314,152</u>	<u>190,556</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	23,936	39,486
Bank deposits with original maturity of three months or less	1,014,054	928,556
	<u>1,037,990</u>	<u>968,042</u>
7. Other Current Assets		
Interest Accrued on Bank Deposits	30,396	-
	<u>30,396</u>	<u>-</u>



HCL Computing Products Limited
Notes to the Financial Statements

	Year ended 30.06.2014 Rs.	Period ended 30.06.2013 Rs.
8. Other Income		
Interest income on fixed deposits	115,894	256
9. Other expenses	115,894	256
Legal and Professional (Refer Note 13)	138,596	123,596
Preliminary Expenses	-	51,960
Bank charges	550	2,214
	139,146	177,770



10. Contingent Liabilities

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

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

12. 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.

13. Remuneration to Auditors*

	30.06.2014 (Rs.)	30.06.2013 (Rs.)
Statutory Audit	100,000	100,000
Out-of-Pocket Expenses	10,000	10,000

* Excluding service tax

14. 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.)

	30.06.2014	30.06.2013
A. Transactions during the year	Holding Company	Holding Company
Equity share capital issued	-	1,000,000
Expense reimbursement	1,23,596	66,960
B. Balance outstanding as at the year end		
Trade Payable	1,90,556	66,960
Equity share capital	1,000,000	1,000,000

15. 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.

16. 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	30.06.2014	30.06.2013
Loss after tax (Rs.)	(23,252)	(177,514)
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)	(0.23)	(1.78)

17. Previous year's figures have also been regrouped, where necessary, to conform to the current year's presentation.

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

Rothin Bhattacharyya
Director

Sandeep Kanwar
Director

Place : Noida
Date : August 28, 2014