

Directors' Report

**To the Shareholders,
HCL Services Limited
(Formerly known as HCL Care 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 Crores)	
	Year ended 30 th June, 2014	Year ended 30 th June, 2013
Net Sales and other income	609.84	-
Profit/(Loss) before Interest, Depreciation and Tax	40.89	(0.01)
Finance Charges	21.47	-
Depreciation	21.24	-
Profit/(Loss) before Tax	(1.82)	(0.01)
Provision for Taxation : Current	-	-
Deferred	4.14	-
Net Profit/(Loss) after Tax	(5.96)	(0.01)

Name Change

The name of the Company was changed from HCL Care Limited to HCL Services Limited effective from 31st October, 2013.

Business

HCL's Service business can be classified into two major segments: (A) Enterprise Services and (B) Consumer Services (Care).

(A) Enterprise Services business

Our Enterprise Services business offers a wide spectrum of Enterprise IT and Office Automation Services including Multi-Vendor Breakfix Services, IT Infrastructure Management Services, Office Automation Comprehensive Management Services & Managed Print Services, and Infra Consulting and Project Services.

Infrastructure Management Services: It is a key growth engine of our Enterprise Services business and registered an impressive growth of 70% in India and overseas combined. The business significantly increased its annuity contract bank backed by multiple deals in BFSI, Manufacturing, Hospitality, & Utilities verticals in India and a large win from Government Nodal Authority for IT in Singapore to deliver services across 50+ government agencies. The business successfully launched Tefilla Maestro and Tefilla Astra, HCL owned Service Desk and Asset Management Tools and achieved recertification of ISO 27001 and ISO 9001 for the Singapore Delivery centre. The Business also made foray into Microsoft Services arena, which is fast emerging as an integral part of a typical enterprise IT landscape, and bagged multiple contracts from BFSI and large enterprise customers for rendering various MS services.

Multi Vendor Technology Support (MVTs) Services: Our MVTs service offerings, which is a combination of our IT and Office Automation Break-fix and Comprehensive Maintenance business has been receiving an encouraging response from various OEMs. Our pan-India presence with more than 5,000 engineers and an integrated offering including contact center, field force, spares and consumables supply chain management and repair factory are key differentiators of this business. We have thus emerged as a preferred provider of after-sales warranty and AMC support services to customers on behalf of various OEMs across diverse technologies. In addition to OEMs, we continued to sign many contracts directly with enterprise customers for maintenance of their end-user IT and OA devices and other stacks of IT Infrastructure such as Data Center. In FY14, we launched many productivity and customer service improvement initiatives including field force automation, spares cycle time reduction, travel time reduction through optimal route planning and bikes enablement, remote resolution improvement, etc. We also

initiated concerted efforts to mine the installed base of IT and OA assets under our Service network to drive sale of consumables, upgrades, accessories, and one-time services. Due to reduced focus on our branded computing products business in FY14, our MVTS business did witness a decline in warranty service revenue. Efforts on multi-vendor sign-ups and mining of installed base could offset this decline in warranty service revenue and hence our MVTS Services business remained largely flat in FY14 compared to FY13.

Infra Consulting and Project Services: Leveraging our years of OEM relationship and experience of designing, building and maintaining some of the most complex IT infrastructure in the country, we now offer specialized services around the S4N products (Server, Storage, Security, Software and Networks). This new service offering was launched in FY14 to provide one-time as well as ongoing support and maintenance services to OEMs and enterprises in areas such as Data Centre, Cloud Computing technologies, etc. Utilizing our rich pool of highly technical resources, we deliver one-time technical services that include design, installation & commissioning services and sustenance ongoing services that include comprehensive maintenance services. We are investing in capability building and OEM certifications for this service offering and have already developed a large repository of skills to provide services on this infrastructure stack.

Overall our Enterprise Services business registered a 10% Y-o-Y growth to register a top line of Rs. 609 Cores in FY14. This is despite the transient dip in our Warranty service revenues for our MVTS business in this year. We have built a healthy contract bank and expect to continue the double digit growth momentum going forward. Another important avenue of growth created in FY14 is Enterprise Services order book in Middle East geography. By end of FY14, we have been successful in winning many Infrastructure Services contracts in Middle East and expect a significant contribution to Enterprise Services topline from this geography going forward.

(B) Consumer Services (Care) business

Our Care business focuses on providing after-sale support services to consumers for a variety of products including mobile handsets, consumer electronics, appliances and consumer durables. In India, this industry has been extremely fragmented with bulk of the business being done by either unorganized sector or small Authorized Service Providers on behalf of OEMs. It is only now that we are beginning to see emergence of organized sector in this space. The Indian consumer electronics break-fix market opportunity is estimated at around Rs. 8,000 cr, including IT, mobiles and other consumer electronics and durables. The market is expected to grow at 8-10% annually, driven by end-category growth as well as emergence of organized sector players offering integrated services. We are one of the select large-scale players in the Indian market with an integrated service delivery model across the value chain including state-of-art but low cost repair factories, access to nation-wide field force for onsite service, integrated supply chain, contact centre for remote support and 300+ walk-in-centres.

Our investments in this space are beginning to deliver positive results as this year saw many leading brands in Consumer Products (Mobile, Tablets, Consumer Electronics and Consumer Durables) signing us for delivering after sales services. Scope of engagement with existing Principals also expanded significantly during the course of FY14. The business continued to expand its retail presence through addition of Walk-in-Centres under the "TOUCH" brand taking the total number of TOUCH walk-in centres to 300 + across India.

Consequently, the business scaled from Rs. 46 Cores in FY13 to Rs.68 Cores in FY14. This business has thus achieved a critical scale and has broken-even in FY14.

Scheme of Arrangement

During the year under review, a composite Scheme of Arrangement (the Scheme) under the provisions of Section 391 and 394 of the Companies Act, 1956 between HCL Infosystems Limited and HCL Services Limited (the Company) and HCL Infotech Limited (formerly known as HCL System Integration Limited) and HCL Learning Limited and HCL Infocom Limited and their respective shareholders and creditors was approved by Hon'ble Delhi High Court vide its order dated 18th September, 2013. The Scheme became effective from 1st November, 2013 on filing a certified copy of the High Court order with the office of the Registrar of the Companies, NCT of Delhi & Haryana, from 1st January, 2013, the Appointed Date.

Pursuant to the aforesaid scheme, the services business of the HCL Infosystems Limited, the holding Company, was transferred and vested into the Company. Further, HCL Insys Pte Limited, Singapore and HCL Touch Inc, USA became subsidiaries of the Company. The Statement pursuant to section 212 of Companies Act, 1956, highlighting the summary of the financial performance of our subsidiaries is annexed to this report.

Pursuant to the aforesaid scheme HCL Insys Pte. Ltd., Singapore, HCL Touch Inc. (USA) & HCL Infosystems MEA FZE Dubai became the subsidiaries of the Company. The Statement pursuant to section 212 of Companies Act, 1956, highlighting the summary of the financial performance of our subsidiaries is annexed to this report.

Public Deposit

The Company has not accepted any deposits from the public.

Directors

Mr. Rothin Bhattacharyya ceased to be director w.e.f. 16th December, 2013. Mr. Sandeep Kanwar and Mr. Vivek Srinivas Punekar ceased to be directors w.e.f. 20th August, 2014 respectively. The Board places on record its appreciation for the contributions made by them during their tenure with the Company.

Mr. Harshavardhan Madhav Chitale was appointed as additional director of the Company 16th December, 2013. Mr. Premkumar Seshadri, Ms. Sangeeta Talwar, Mr. Dilip Kumar Srivastava, Mr. Pawan Kumar Danwar, Mr. Neelesh Agarwal, Mr. Kaushik Dutta, Mr. Sundararajan Mahalingam were appointed as additional directors of the Company w.e.f. 20th August, 2014. Mr. Kaushik Dutta and Ms. Sangeeta Talwar are designated as Independent Directors of the Company.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, additional directors shall hold office up to the date of the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

The Company has received notice(s) from member of the Company, under section 160 of the Companies Act, 2013 proposing appointment of Mr. Harshavardhan Madhav Chitale, Mr. Premkumar Seshadri, Ms. Sangeeta Talwar, Mr. Dilip Kumar Srivastava, Mr. Pawan Kumar Danwar, Mr. Neelesh Agarwal, Mr. Kaushik Dutta and Mr. Sundararajan Mahalingam as Directors of the Company.

Committees of the Board

The Company has three Board Committees:

(A) Accounts & Audit Committee

- (i) The Accounts & Audit Committee of the Company was constituted in line with the 177 of the Companies Act, 2013.
- (ii) The composition of the Committee is given below:

NAME	CATEGORY	DESIGNATION
Mr. Kaushik Dutta	Independent, Non-Executive	Chairperson
Ms. Sangeeta Talwar	Independent, Non-Executive	Member
Mr. Pawan Kumar Danwar	Non-Independent, Non- Executive	Member

(B) Nomination & Remuneration Committee

- (i) The Nomination and Remuneration Committee of the Company was constituted in line with the 178 of the Companies Act, 2013.
- (ii) The composition of the Committee is given below:

NAME	CATEGORY	DESIGNATION
Mr. Kaushik Dutta	Independent, Non-Executive	Chairperson
Ms. Sangeeta Talwar	Independent, Non-Executive	Member
Mr. Dilip Kumar Srivastava	Non-Independent, Non- Executive	Member

(C) Corporate Social Responsibility (CSR) Committee

- (i) Corporate Social Responsibility Committee of the Company was constituted in line with the 135 of the Companies Act, 2013.
- (ii) The composition of the Corporate Social Responsibility Committee is given below:

NAME	CATEGORY	DESIGNATION
Mr. Dilip Kumar Srivastava	Non-Independent, Non-Executive	Chairperson
Mr. Pawan Kumar Danwar	Non-Independent, Non-Executive	Member
Ms. Sangeeta Talwar	Independent, Non-Executive	Member

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

The information as required to be provided in terms of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has been set out in the annexure to the Directors' report.

Additional information in relation to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

A. Conservation of Energy

Under HCL ecoSafe, the sustainable business initiative program undertaken by your company, energy conservation has been a key area of work to reduce power consumption in our products, manufacturing process and our operations.

All our manufacturing facilities practice various measures to reduce power consumption by using natural light during daytime, installing different capacity DG sets that consume optimum amount of diesel as per required load.

Under your restructuring program, your company has made certain changes in its operations thereby consolidating its offices resulting in a power saving of 500 units in a month.

B. Research and Development/ Technology Absorption

Product Innovation & Engineering

Today, ICT is an intrinsic part of infrastructure deployed to enable economic activity. Ensuring an uninterrupted connectivity between organizations and people require superior infrastructure. The operation and maintenance of such infrastructure demands tools & services which are capable of IT Infrastructure monitoring, Service Management as per ITIL v3 framework, predictive failure analysis, fault detection, power consumption optimization, management of assets etc. To address this critical need of enterprises & service providers, HCL Labs has developed the Tefilla framework, which is deployed by large telecom service providers, enterprises and in critical government ICT projects.

C. Foreign Exchange Earning and Outgo

The details of foreign exchange earnings and outgo is as under:

(Rs. in Crores)

Particulars	Year ended 30 th June, 2014	Year ended 30 th June, 2013
Foreign Exchange Earnings	1.51	-
Foreign Exchange Outgo	26.83	-

Auditors and Auditors' Report

M/s Price Waterhouse, Chartered Accountants were appointed in as Statutory Auditors of the Company in place of M/s S.D. Chopra and Associates, Chartered Accountants. It is proposed to re-appoint M/s Price Waterhouse, Chartered Accountants as statutory auditors of the Company from the conclusion of forthcoming Annual General Meeting till the conclusion of this Annual General Meeting. M/s Price Waterhouse, Chartered Accountants has, under Section 141 of the Act, furnished a certificate of its eligibility and offer themselves for re-appointment.

The Auditors' Report is unqualified. The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further clarifications.

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

Place : Noida
Date : 28th August, 2014


PREMKUMAR SESHADRI
Chairman
DIN: 03114983

INDEPENDENT AUDITORS' REPORT

To the Members of HCL Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of HCL Services 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.

Other Matter

7. The financial statements of the Company as at June 30, 2013 and for the period then ended were audited by another firm of chartered accountants who, vide their report dated August 13, 2013, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

8. 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.
9. 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
Date: August 28, 2014

Abhishek Rara
Partner
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 Services Limited on the financial statements as of and for the year ended June 30, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 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. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 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. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- 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.

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of HCL Services Limited on the financial statements for the year ended June 30, 2014

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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 generally regular in depositing undisputed statutory dues in respect of sales tax, and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, works contract tax, income tax, 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, wealth tax, customs duty, excise duty and service-tax which have not been deposited on account of any dispute. The particulars of dues of sales tax as at June 30, 2014 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of the dues	Amount Rs./Crores	Amount deposited under protest Rs./Crores	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	0.06	0.06	2002-2003	Commercial Tax Tribunal, Noida.
Kerala General Sales Tax Act, 1963	Sales Tax (including Penalty)	0.89	0.68	2001-2012	Tribunals of Sales Tax, Kochi/ Check post authorities, Kerala

Refer Note 42 for the details.

- 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. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 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.

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of HCL Services Limited on the financial statements for the year ended June 30, 2014

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- 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. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The company has used short-term borrowings amounting to Rs. 108 Crores for purchase of fixed assets, purchase of investments, long-term loans and advances and other non-current assets.
- 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 Services Limited (formerly known as HCL Care Limited)
Balance Sheet as at June 30, 2014

	Notes	As at 30.06.2014 ₹/Crores		As at 30.06.2013 ₹/Crores
Equity and Liabilities:				
Shareholders' funds				
Share capital	2	0.06	0.05	
Reserves and surplus	3	3.65	(0.01)	0.04
Non-current liabilities				
Long-term borrowings	4	19.63	-	
Other long-term liabilities	5	18.89	-	
Long-term provisions	6	5.31	-	
Current liabilities				
Short-term borrowings	7	155.66	-	
Trade payables	8	135.11	0.01	
Other current liabilities	9	232.84	-	
Short-term provisions	10	10.49	-	0.01
Total Equity and Liabilities		581.63		0.05
Assets:				
Non-current assets				
Fixed assets				
- Tangible assets	11	23.98	-	
- Intangible assets	11	61.80	-	
- Capital work-in-progress		0.65	-	
Non-current investments	12, 45	42.56	-	
Deferred tax assets (net)	29	5.22	-	
Long-term loans and advances	13	13.11	-	
Other non-current assets	14	2.26	-	
Current assets				
Inventories	15	82.65	-	
Trade receivables	16	208.65	-	
Cash and bank balances	17	23.40	0.05	
Short-term loans and advances	18	34.66	-	
Other current assets	19	82.69	-	0.05
Total Assets		581.63		0.05

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

HARSH CHITALE
Director

PREMKUMAR SESHADRI
Director

Place : Noida
Date : August 28, 2014

HCL Services Limited (formerly known as HCL Care Limited)
Statement of Profit and Loss for the year ended June30, 2014

	<u>Notes</u>	<u>Year ended 30.06.2014 ₹/Crores</u>	<u>Period ended 30.06.2013 ₹/Crores</u>
Revenue:			
Revenue from operations (gross)	20	608.96	
Other income	21	0.88	-
Total Revenue		<u>609.84</u>	<u>-</u>
Expenses:			
Other direct expense	22	183.74	-
Employee benefits expense	23	251.65	-
Finance costs	24	21.47	-
Depreciation and amortisation expense	11	21.24	-
Net Loss on Foreign Exchange Fluctuation (Other than considered as Finance cost)		0.25	-
Other expenses	25	133.31	0.01
Total Expense		<u>611.66</u>	<u>0.01</u>
Loss before tax		(1.82)	(0.01)
Tax expense			
Current tax		0.13	-
Less: MAT Credit Entitlement		(0.13)	-
Current tax - For the year		-	-
Deferred tax	29	4.14	-
Profit/(Loss) for the year		<u>(5.96)</u>	<u>(0.01)</u>
Loss per equity share (in ₹)			
Basic (of ₹10/- each)	36	(1,191.13)	(2.04)
Diluted (of ₹ 10/- each)		(1,191.13)	(2.04)
Significant Accounting Policies			
	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

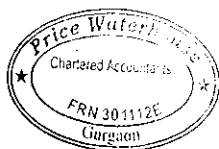
HARSH CHITALE
Director

PREMKUMAR SESHADRI
Director

Place : Noida
Date : August 28, 2014

HCL Services Limited (formerly known as HCL Care Limited)
Cash Flow Statement for the year ended June 30, 2014

	Year ended 30.06.2014 ₹/Crores	Period ended 30.06.2013 ₹/Crores
1. Cash Flow from Operating Activities:		
Profit/(Loss) before tax	(1.82)	(0.01)
Adjustments for:		
Depreciation and Amortisation Expense	21.24	-
Finance Costs	21.47	-
Interest Income	(0.28)	-
Fixed Assets Written-Off	0.01	-
Profit on Disposal of Unquoted (Others) Current Investments	(0.16)	-
Provision for Doubtful Debts	3.26	-
Provision for Doubtful Loans and Advances	0.52	-
Provisions/Liabilities no longer required Written Back	(0.20)	-
Provision for Gratuity and Other Employee Benefits	9.26	-
Unrealised Foreign Exchange (Gain)/Loss	0.03	-
	<u>55.15</u>	<u>-</u>
Operating Profit/(Loss) before working capital changes	53.33	(0.01)
Adjustments for changes in working capital:		
- (Increase)/Decrease in Trade Receivables	(82.57)	-
- (Increase)/Decrease in Loans and Advances and Other Assets	(94.65)	-
- (Increase)/Decrease in Inventories	10.75	-
- Increase/(Decrease) in Liabilities	91.93	0.01
	<u>(74.54)</u>	<u>0.01</u>
Net cash from operating activities	(A) (21.21)	-
2. Cash flow from Investing Activities:		
Purchase of Fixed Assets (including Intangible Assets)	(5.17)	-
Capital Work-In-Progress (including Intangible Assets under Development)	(0.65)	-
Proceeds from Sale of Fixed Assets	0.05	-
Proceeds from Sale of Current Investments	10.16	-
Lease Rental Recoverable	(2.96)	-
Purchase of Current Investments	(10.00)	-
Interest Received	0.25	-
	<u>(8.32)</u>	<u>-</u>
Net cash from/(used in) investing activities	(B) (8.32)	-



3. **Cash Flow from Financing Activities:**

Share Capital issued	-		0.05
Proceeds from long term borrowings			
Secured Loans			
Short term (paid)	(77.73)		-
Long term (paid)	(47.04)		-
Unsecured Loans			
Short term received	185.51		-
Interest Paid	(21.15)	39.59	-
Net cash (used in) financing activities	(C)	<u>39.59</u>	<u>0.05</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	<u>10.06</u>	<u>0.05</u>
Opening Balance of Cash and Cash Equivalents		0.05	-
Add: Acquired on Purchase of Service Business (Refer Note 44)		13.29	-
Closing Balance of Cash and Cash Equivalents		23.40	0.05
Cash and cash equivalents comprise of		23.40	0.05
Cash, Cheques and Drafts (on hand)		7.47	-
Balances with Banks on Current Accounts and Dividend Accounts		15.93	0.05

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 Act, 1956.
- 2 Transfer of Business from HCL Infosystems Limited, the Holding Company pursuant to scheme of arrangement (Refer Note 44) is a non cash transaction and therefore has been excluded from above cash flow statement.
- 3 Figures in brackets indicate cash outgo.
- 4 Notes to financial statements form an integral part of Cash flow statement.

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

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number-301112E
Chartered Accountants

HARSH CHITALE
Director

PREMKUMAR SESHADRI
Director

ABHISHEK RARA
Partner
Membership Number -077779

Place : Noida
Date : August 28, 2014

HCL Services limited

Notes to the Financial Statements

1- SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. 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, 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 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.

b. FIXED ASSETS

Tangible Fixed Assets including in-house capitalisation and Capital work-in-progress are stated at cost except those which are revalued from time to time on the basis of current replacement cost/value to the Company, net of accumulated depreciation.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

c. DEPRECIATION AND AMORTISATION

(a) Depreciation and amortisation has been calculated as under:

Depreciation on tangible fixed assets is provided on a pro-rata basis using the straight-line method based on economic useful life determined by way of periodical technical evaluation. Intangible assets (other than Goodwill) are amortised over their estimated useful life.

Economic useful lives which are not exceeding those stipulated in Schedule XIV to the Companies Act, 1956 are as under:

Tangible Assets:

Plant and Machinery	4-8	years
Furniture and Fixtures	4-6	years
Air Conditioners	3-6	years
Vehicles	4-6	years
Office Equipments	3-6	years
Computers	3-5	years

Intangible Assets (other than Goodwill):

Software	1-5	years
----------	-----	-------

(b) Goodwill arising on acquisition is tested for impairment at each balance sheet date.



- (c) Individual assets costing ₹ 5,000 or less are depreciated/amortised fully in the year of acquisition.
- (d) The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

d. INVESTMENTS

Long-term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to Statement of Profit and Loss.

Current investments are carried at lower of cost or fair value where fair value for mutual funds is based on net asset value and for bonds is based on market quote.

e. INVENTORIES

Stores and Spares are valued at lower of cost and net realisable value/future economic benefits expected to arise when consumed during rendering of services. Adequate adjustments are made to the carrying value for obsolescence. Cost is determined on the basis of weighted average.

f. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded at the exchange rates prevailing at the date of transaction. Exchange differences arising on settlement of transactions, are recognised as income or expense in the year in which they arise.
- b) At the balance sheet date, all monetary items denominated in foreign currency, are reported at the exchange rates prevailing at the balance sheet date and the resultant gain or loss is recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) With respect to exchange differences arising on translation of long term foreign currency monetary items having a term of 12 months or more, from July 1, 2011 onwards, the Company has adopted the following policy:
 - (i) Exchange differences relating to long term foreign currency monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to or deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (ii) In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised over the balance period of the long term assets/liabilities but not beyond March 31, 2020.
- d) In case of forward foreign exchange contracts where an underlying asset or liability exists at the balance sheet date, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contract are recognized in the statement of Profit and Loss in the reporting period in which the exchange rate change.
- e) Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.



- f) Any profit or loss arising on cancellation or renewal of a forward exchange contract are recognised as income or as expense for the period.

g. EMPLOYEE BENEFITS

Defined Benefit:

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Provident Fund

Provident Fund contributions are made to a multi-employer Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Other Benefits:

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Defined Contribution:

Contributions to the employees' state insurance fund, administered by the prescribed government authorities, are made in accordance with the Employees' State Insurance Act, 1948 and are recognised as an expense on an accrual basis.

Company's contribution towards Superannuation Fund is accounted for on accrual basis. The Company makes defined contributions to a Superannuation Trust established for the purpose. The Company has no further obligation beyond the monthly contributions.



h. REVENUE RECOGNITION

- (a) Sales, after adjusting trade discount, are inclusive of excise duty and the related revenue is recognised on transfer of all significant risks and rewards of ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration.
- (b) Service income includes income from IT infrastructure managed services, break-fix services, cloud services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services. Revenues relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed priced contracts is recognised on percentage of completion basis. Revenue from a period based service contracts is recognised on a pro rata basis over the period in which such services are rendered.

i. LEASES

- a) Assets taken on leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on straight-line basis over the lease term.
- b) Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

j. CURRENT AND DEFERRED TAX

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

k. 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.

l. 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.

m. IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, the Company estimates the recoverable amount and if the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

n. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

o. RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has ability and intention to complete the asset and use or sell it and cost can be measured reliably.



HCL Services Limited (formerly known as HCL Care Limited)

Notes to the Financial Statements

	As at 30.06.2014 ₹/Crores	As at 30.06.2013 ₹/Crores
2- Share capital		
Authorised		
50,000 Equity Shares (2013 - 50,000) of ₹ 10/- each	0.05	0.05
TOTAL	0.05	0.05
Issued, Subscribed and Paid up		
50,000 Equity Shares of (2013 - 50,000) ₹ 10/- each (Fully Paid up)	0.05	0.05
TOTAL	0.05	0.05

Notes:

(i) Rights attached to Equity Shares:

The Company has only one class of equity share having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of interim dividend.

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.

(ii) Shareholders holding more than 5% of the aggregate shares in the Company	Number of Shares	% of shares	Number of Shares	% of shares
(a) HCL Infosystems Limited, the Holding Company	50,000	100.00	-	-
(b) HCL Infocom Limited	-	-	50,000	100.00



HCL Services Limited (formerly known as HCL Care Limited)

Notes to the Financial Statements

3- Movement in Reserves and surplus

Particulars	(₹/Crores)	
	Surplus in the Statement of Profit and Loss	Total Reserves and Surplus
As at July 1, 2012	-	-
- Loss for the period	(0.01)	(0.01)
As at June 30, 2013	(0.01)	(0.01)
As at July 1, 2013	(0.01)	(0.01)
- Loss for the year	(5.96)	(5.96)
- Transfer of profit for the period January 13 to June 13 from HCL infosystems Limited, the Holding Company (Refer Note 44)	8.62	8.62
- Adjustment on Account of Scheme (Refer Note 44)	1.00	1.00
As at June 30, 2014	3.65	3.65



HCL Services Limited (formerly known as HCL Care Limited)**Notes to the Financial Statements**

	As at 30.06.2014 ₹/Crores	As at 30.06.2013 ₹/Crores
4- Long-term borrowings		
Secured:		
Term Loans		
- From Banks	19.63	-
TOTAL	<u>19.63</u>	<u>-</u>
Notes:		
1. Secured Term Loan from Banks amounting to ₹ 98.09 Crores (2013 - ₹ Nil), out of which ₹ 78.46 Crores (2013 - ₹ Nil) is shown under current maturity of long term debt, is secured by way of subservient charge on current assets of the HCL Infosystem Limited, the Holding Company. It also carries a lien on Mutual Funds of ₹ 38.50 Crores. The loan is repayable in 8 quarterly equal instalments starting from the date of disbursement and carries interest @ 11.90 % p.a.		
2. Long term borrowings, Short term borrowings and Current maturities of long term debts include the loan amounting to ₹ 19.63 Crores, ₹ 27.27 Crores and ₹ 78.46 Crores respectively that the HCL Infosystems Limited, the holding company has transferred to the Company pursuant to the scheme of arrangement (Refer Note 44).HCL Infosystems Limited, the holding company, is in the process of transferring the loan agreements to the company.		
5- Other long-term liabilities		
Deferred Revenue	16.54	-
Dealer Deposits	2.35	-
TOTAL	<u>18.89</u>	<u>-</u>
6- Long-term provisions		
Provision for Gratuity (Refer Note 38)	5.31	-
TOTAL	<u>5.31</u>	<u>-</u>



HCL Services Limited (formerly known as HCL Care Limited)

Notes to the Financial Statements

	As at 30.06.2014 ₹/Crores	As at 30.06.2013 ₹/Crores
7- Short-term borrowings		
Secured:		
Loans from Banks		
- Term Loans	26.13	-
- Buyers Credit	1.14	-
	<u>27.27</u>	<u>-</u>
Unsecured:		
Loan from HCL Infosystems Limited, the Holding Company	128.39	-
TOTAL	<u>155.66</u>	<u>-</u>
Note:		
1. Secured Loan from Banks amounting to ₹ 27.27 Crores (2013 - ₹ Nil) are secured by way of hypothecation of stock-in-trade, book debts as first charge and by way of second charge on all the immovable and movable assets of the Company, HCL Infosystem Limited (the Holding Company) and its demerged subsidiaries, pursuant to court approved scheme of arrangement. The charge ranks pari-passu amongst Bankers.		
2. Unsecured Loans from HCL Infosystems Limited, the Holding Company, amounting to ₹ 128.39 Crores (2013 - ₹ Nil) is repayable within 1 year from the date of loan and carries an interest @ 11.77 % per annum with effect from April 01, 2014.		
8- Trade payables		
Trade Payables (Refer Note 30)		
[Including Acceptance ₹ 6.23 Crores (2013 - ₹ Nil)]	135.11	0.01
TOTAL	<u>135.11</u>	<u>0.01</u>
9- Other current liabilities		
Current Maturities of Long-Term Debts (Refer Note 4)	78.46	-
Interest Accrued but not due on Borrowings	0.01	-
Deferred Revenue	49.15	-
Advances Received from Customers	15.24	-
Payable to Holding Company	60.88	-
Statutory Dues Payable	11.61	-
Employee Benefits Payable	17.17	-
Capital Creditors	0.32	-
TOTAL	<u>232.84</u>	<u>-</u>
10- Short-term provisions		
Provision for Gratuity and Leave Encashment (Refer Note 38)#	7.22	-
Provision for Warranty Liability (Refer Note 28)	3.27	-
TOTAL	<u>10.49</u>	<u>-</u>
# includes ₹ 3.46 Crores (2013-₹ Nil) for provision for leave encashment		



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

11. Fixed assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block		
	As at 01.07.2013	Transfer from HCL Infosystems Limited, the Holding Company (Refer Note 44)	Additions	Disposal	As at 30.06.2014	As at 01.07.2013	Transfer from HCL Infosystems Limited, the Holding Company (Refer Note 44)	Additions	Disposal	As at 30.06.2014	As at 30.06.2013
Tangible Assets:											
Leasehold improvements	-	1.59	0.10	-	1.69	-	0.19	0.56	-	0.75	-
Assets Given on Operating Lease	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery [Refer Note 35 (b)]	-	13.58	0.84	-	14.42	-	1.80	2.95	-	4.79	-
Own Assets											
Plant and Machinery	-	1.57	0.22	0.03	1.76	-	0.26	0.45	0.01	0.70	-
Furniture and Fixtures	-	1.72	0.13	0.03	1.82	-	0.36	0.53	0.01	0.88	-
Office Equipments	-	3.52	0.21	0.02	3.71	-	0.43	0.90	0.01	1.32	-
Vehicles	-	0.02	-	-	0.02	-	0.01	0.01	-	0.02	-
Computers	-	15.90	3.36	0.06	19.20	-	3.13	7.10	0.05	10.18	-
Sub-Total (a)	-	37.90	4.85	0.14	42.62	-	6.18	12.54	0.08	18.64	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets:											
Own Assets	-	-	50.88	-	50.88	-	-	-	-	-	-
Goodwill (Refer Note 44)	-	-	0.26	-	23.78	-	-	-	-	-	-
Software*	-	23.52	-	-	23.78	-	4.16	8.70	-	12.86	-
Sub-Total (b)	-	23.52	51.14	-	74.66	-	4.16	8.70	-	12.86	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Total (a+b)	-	-	-	-	-	-	-	-	-	-	-
											85.78

Notes:

*Software comprise cost of acquiring licences and SAP implementation charges.



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

12- Non-current investments (Refer Note 44 & Note 45)

	As at 30.06.2014			As at 30.06.2013		
	<u>Face Value</u>	<u>Units</u>	<u>Amount ₹/Crores</u>	<u>Face Value</u>	<u>Units</u>	<u>Amount ₹/Crores</u>
<u>Unquoted (Trade): Long Term (At Cost)</u>						
<u>Investments in Equity Instruments of Subsidiaries</u>						
HCL Insys Pte. Limited, Singapore		6,199,991 In SGD* and 3,800,000 In USD 1				
HCL Touch Inc., United States		150 in USD*	41.83			-
			0.73			-
Total Non-Current Investments			42.56			-
Aggregate amount of Unquoted Investments			42.56			-



HCL Services Limited (formerly known as HCL Care Limited)

Notes to the Financial Statements

	As at 30.06.2014 ₹/Crores	As at 30.06.2013 ₹/Crores
13- Long-term loans and advances		
Unsecured, considered good:		
Capital Advances	0.37	-
Deposits	2.02	-
Prepaid Expenses	3.37	-
Advance Income Tax	-	-
[Net of Provision for Income Tax of ₹ 5.68 Crores (2013 - ₹ Nil)]	7.24	-
Other Loans and Advances	0.11	-
TOTAL	13.11	-
14- Other non-current assets		
Unbilled Revenue	0.68	-
Lease Rental Recoverable (Refer Note 35)	1.58	-
TOTAL	2.26	-
15- Inventories		
Stores and Spares	82.65	-
TOTAL	82.65	-
16- Trade receivables		
Unsecured:		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	52.88	-
- Considered Doubtful	15.80	-
	68.48	-
Other Debts		
- Considered Good	155.77	-
	224.25	-
Less: Provision for Doubtful Debts	15.60	-
TOTAL	208.65	-



HCL Services Limited (formerly known as HCL Care Limited)

Notes to the Financial Statements

	As at 30.06.2014 ₹/Crores	As at 30.06.2013 ₹/Crores
17- Cash and bank balances		
Cash and Cash Equivalents		
Balances with Banks		
- On Current Account	15.93	0.05
Cash on Hand	0.07	-
Cheques on Hand	7.40	-
TOTAL	23.40	0.05
18- Short-term loans and advances		
Unsecured		
Considered Good		
Balances with Customs, Port Trust, Excise and Sales Tax Authorities	2.25	-
Advances to Creditors	17.32	-
Deposits with Tax Authorities	0.76	-
Other Deposits	3.95	-
MAT Credit Entitlement	0.13	-
Prepaid Expenses	7.81	-
Others (Includes Employee advances, Insurance claim recoverable and Expenses recoverable)	2.44	-
Considered Doubtful		
Deposits and Other Advances	0.74	-
Less: Provision for Doubtful Loans and Advances	0.74	-
TOTAL	34.66	-
19- Other current assets		
Lease Rental Recoverable (Refer Note 35)	1.38	-
Unbilled revenue	81.31	-
TOTAL	82.69	-



HCL Services Limited (formerly known as HCL Care Limited)**Notes to the Financial Statements**

	Year ended 30.06.2014 ₹/Crores	Period ended 30.06.2013 ₹/Crores
20- Revenue from operations		
Sale of Products	85.54	-
Sale of Services	523.42	-
TOTAL	608.96	-
21- Other income		
Interest Income		
- On Lease Rental	0.25	-
- On Fixed Deposits (Gross)	0.03	-
Profit on Disposal of Unquoted (Others) Current Investments	0.16	-
Provisions/Liabilities no longer required written back	0.20	-
Miscellaneous Income	0.24	-
TOTAL	0.88	-
22- Other direct expense		
Purchase of Services	28.30	-
Spares and Stores Consumed	155.32	-
Power and Fuel	0.12	-
TOTAL	183.74	-
23- Employee benefits expense (Refer Note 38)		
Salaries, Wages, Bonus and Gratuity	236.53	-
Contribution to Provident and Other Funds	12.56	-
Staff Welfare Expenses	2.56	-
TOTAL	251.65	-
24- Finance costs		
Interest on Long-term and Short-term Borrowings	21.47	-
TOTAL	21.47	-



HCL Services Limited (formerly known as HCL Care Limited)**Notes to the Financial Statements**

	Year ended 30.06.2014 ₹/Crores	Period ended 30.06.2013 ₹/Crores
25 - Other expenses		
Rent [Refer Note 35(b)(ii)]	12.44	-
Rates and Taxes	2.30	-
Printing and Stationery	1.85	-
Communication	8.26	-
Travelling and Conveyance	27.70	-
Packing, Freight and Forwarding	10.00	-
Legal, Professional and Consultancy Charges (Refer Note 34)	5.61	-
Retainership Expenses	30.32	-
Training and Conference	1.50	-
Office Electricity and Water	5.06	-
Insurance	0.42	-
Advertisement, Publicity and Entertainment (Refer Note 39)	0.68	-
Hire Charges	0.73	-
Commission on Sales	0.10	-
Bank Charges	0.85	-
Provision for Doubtful Debts and Other Current Assets	3.26	-
Provision for Doubtful Loans and Advances	0.52	-
Loss on Sale of Fixed Assets	0.12	-
Fixed Assets Written-Off	0.01	-
Repairs		
- Plant and Machinery	1.34	-
- Buildings	0.55	-
- Others	6.04	-
Common Cost Allocated from HCL Infosystems Limited, the Holding Company	8.55	-
Miscellaneous	5.10	0.01
	<u>133.31</u>	<u>0.01</u>



26. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for amount to ₹ 0.99 Crores (2013 - ₹ Nil). For Commitments on account of lease Refer Note 35.
27. **Contingent Liabilities (Refer Note 44):**
- a) Claims against the Company not acknowledged as debts:

	2014	2013
	₹/Crores	₹/Crores
Sales Tax*	0.94	-
Industrial Disputes, Civil Suits and Consumer Disputes	1.82	-

* Includes sum of ₹ 0.74 Crores (2013 - ₹ Nil) deposited by the Company against the above.

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the out come of the different legal processes which have been initiated by the Company or the claimants as the case may be and therefore cannot be predicted accurately. It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.



28. The Company has the following provision for warranty liability in the books of accounts:

	2014 ₹/Crores	2013 ₹/Crores
Opening Balance as on July 1	-	-
Transfer from HCL Infosystem Limited, the Holding Company, during the year (Refer Note 44)	8.84	-
Additions during the year	11.17	-
Utilised/Reversed during the year	16.74	-
Closing Balance as on June 30	3.27	-

The warranty provision has been recognised for expected warranty claims for the first year of warranty on products sold during the year. Due to the very nature of such costs, Outflows of economic benefits against this provision is expected to happen with in one year.

29. Taxation:

a) Provision for taxation has been computed by applying the Income Tax Act, 1961 to the loss for the financial year ended June 30, 2014, although the actual tax liability of the Company has to be computed each year by reference to the taxable profit for each fiscal year ended March 31.

b) Deferred Tax:

Major components of Deferred tax arising on account of timing difference along with their movement as at June 30, 2014 are:

	As at 01.07.13	Transfer from HCL Infosystems Limited, the Holding Company (Refer Note 44)	Movement during the year	As at 30.06.14 ₹/Crores
Assets				
Provision for Doubtful Debts/Advances/Other Current Assets	-	4.50	1.05	5.55
Impact of expenditure charged to statement of profit & loss but allowable for tax purpose in future years	-	5.87	(1.78)	4.09
Taxable losses and unabsorbed tax depreciation allowable in future years	-	-	0.98	0.98
Total (A)	-	10.37	0.25	10.62
Liabilities				
Difference between WDV of fixed assets as per books and under Income tax Act, 1961	-	0.97	4.39	5.36
Other timing differences	-	0.04	-	0.04
Total (B)	-	1.01	4.39	5.40
Net Deferred Tax Assets (A)-(B)	-	9.36	(4.14)	5.22
Previous Period	-	-	-	-

30. Disclosure of Micro, Small and Medium Enterprises based on information available with the Company:

	2014 ₹/Crores	2013 ₹/Crores
a. (i) Principal amount remaining unpaid to any supplier as at the end of the year.	0.70	-
(ii) Interest due on the above amount.	0.02	-
b. (i) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act).	-	-
(ii) Amount of principal payments made to the suppliers beyond the appointed day during the year.	1.46	-
c. Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act.	-	-
d. Amount of interest accrued and remaining unpaid at the end of the year.	0.06	-
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	0.01	-



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

31. Value of Imports calculated on CIF basis:

	2014	2013
	₹/Crores	₹/Crores
a) Stores and spares	22.51	-
b) Traded items	2.59	-
Total	25.10	-

32. Expenditure in Foreign Currency:
(On accrual basis)

	2014	2013
	₹/Crores	₹/Crores
a) Travel	1.35	-
b) Interest on Acceptances	0.18	-
c) Technical Fee	0.20	-
Total	1.73	-

33. Earnings in Foreign Currency:

	2014	2013
	₹/Crores	₹/Crores
FOB value of exports (including deemed exports)	1.51	-
Total	1.51	-

34. Remuneration to Auditor*:

	2014	2013
	₹/Crores	₹/Crores
a) Statutory Audit	0.10	0.00
b) Other Audit Services/Certifications	0.12	-
Total	0.22	0.00

* Excluding service tax.



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

35. **Leases:**

a) Finance Leases:

As Lessor:

(i) The Company has given on finance lease certain assets/inventories which comprise of computers, radio terminals and office equipments, etc. These leases have a primary period, which is fixed and non-cancelable. There are no exceptional/restrictive covenants in the lease agreements.

(ii) The gross investment in the assets given on finance leases as at June 30, 2014 and its present value as at that date are as follows:

	Total minimum lease receivable ₹/Crores	Interest Included in minimum lease receivable ₹/Crores	Present value of minimum lease receivable ₹/Crores
Not later than one year	1.66	0.28	1.38
	(-)	(-)	(-)
Later than one year and not later than five years	1.73	0.15	1.58
	(-)	(-)	(-)
Total	3.39	0.43	2.96
	(-)	(-)	(-)

Note: Previous period's figures are given in brackets.

b) Cancelable Operating Leases

As Lessee:

(i) The Company has taken various residential/commercial premises under cancelable operating leases. These leases are normally for a period of eleven months to three years and are renewable on expiry.

(ii) The rental expense in respect of operating leases is ₹ 12.44 Crores (2013 - ₹ Nil) which is disclosed as Rent expense under 'Other expenses'.

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of building and office automation products i.e. photocopying machines given on operating lease are as below:

	2014 ₹/Crores	2013 ₹/Crores
Gross Block	14.42	-
Accumulated Depreciation	4.79	-
Net Block	9.63	-
Depreciation Expense	2.99	-



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

36. Earnings per share (EPS)

The earnings considered in ascertaining the Company's EPS represent Loss for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Calculation of EPS:

Particulars	2014	2013
Loss after tax (₹/Crores)	(5.96)	(0.01)
Weighted average number of shares considered as outstanding in computation of Basic EPS	50,000	37,808
Weighted average number of shares outstanding in computation of Diluted EPS	50,000	37,808
Basic EPS (of ₹ 10/- each)	(₹ 1191.13)	(₹ 2.04)
Diluted EPS (of ₹ 10/- each)	(₹ 1191.13)	(₹ 2.04)

37. Segment Reporting

The Company's business falls within a single primary business and geographical segment, i.e. the Services business which provides IT infrastructure managed services, break-fix services, cloud services, enterprise application services, software development & support services, office automation maintenance services, managed print services and telecom & consumer electronics support services. Accordingly, pursuant to Accounting Standard 17 on 'Segment Reporting', notified under section 211 (3C) of the Companies Act, 1956, segment information is not required to be disclosed.



38. The Company has calculated the various benefits provided to employees as under:

- (a) **Defined Contribution**
 (i) Superannuation Fund

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

	2014	2013
	₹/Crores	₹/Crores
Employers Contribution to Superannuation Fund*	0.72	-

- (b) **State Plans**
 (i) Employee State Insurance
 (ii) Employee's Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

	2014	2013
	₹/Crores	₹/Crores
Employers contribution to Employee State Insurance*	2.87	-
Employers contribution to Employee's Pension Scheme 1995*	4.80	-

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Refer Note 23).

- (c) **Defined Benefit**
 (i) Gratuity
 (ii) Provident Fund @

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

	Gratuity	
	2014	2013
Discount rate (per annum)	8.50%	-
Rate of increase in compensation levels	6.00%	-
Expected average remaining working lives of employees (years)	25.44	-

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	₹/Crores	
	2014	2013
	Gratuity	Gratuity
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Amount Transferred from HCL Infosystems Limited, the Holding Company (Refer Note 44)	7.58	-
Current service cost	1.50	-
Past service cost	-	-
Interest cost	-	-
Actuarial (gain)/loss	1.43	-
Benefits (paid)	(1.44)	-
Settlements/transfer In	-	-
Contribution by plan participants	-	-
Present value of obligation at the end of the year	9.07	-

Cost recognised for the year :

	₹/Crores	
	2014	2013
	Gratuity	Gratuity
Current service cost	1.50	-
Company contribution to Provident Fund	-	-
Past service cost	-	-
Interest cost	-	-
Actuarial (gain)/loss	1.43	-
Interest guarantee liability	-	-
Shortfall in fund	-	-
Net cost recognised for the year*	2.93	-

* Included in Salaries, Wages, Bonus and Gratuity for Gratuity under Employee benefits expense (Refer Note 23).



Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets:

₹/Crores

Present value of the obligation as at the end of the year
 Fair value of plan assets at the end of the year
 Assets/(Liabilities) recognised in the Balance Sheet

Gratuity	
2014	2013
9.07	-
-	-
(9.07)	-

@ In respect of certain eligible employees, the Company is a participant in a provident fund plan which is administered through a multi employer trust. The participants have an obligation to make good any deficiency in the interest to be paid by the Trust to its members and the income earned by it. Accordingly the plan is as a defined benefit plan. The trust has obtained an actuarial valuation of the Provident fund liability as at the Balance Sheet date and as per valuation report, there is no shortfall as on June 30, 2014. The valuation report contained details for the disclosure requirement of the Accounting Standard 15 "Employee Benefits" for the trust as a whole, however breakup into respective entities is not available and accordingly the disclosures for provident fund liability as required by Accounting Standard-15 "Employee Benefits" has not been made in these financial statements. The Company's contribution to provident fund for the year is ₹ 4.17 Crores (2013 - ₹ Nil) which has been included under Contribution to Provident and Other Funds (Refer Note 23).

39. Advertisement, Publicity and Entertainment expenses, wherever on sharing basis, are shown at amounts borne by the Company.



40. Pursuant of clause ix (b) of section 227 (4A) of the Companies Act, 1956, the details of disputed dues are as follows:

Sl.No.	Name of the Statute	Nature of the dues	Amount ₹/Crores	Amount deposited ₹/Crores	Period to which the amount relates	Forum where dispute is pending
1.1	Uttar Pradesh Trade Tax Act, 1948**	Sales Tax*	0.06	0.06	2002-2003	Commercial Tax Tribunal, Noida.
2.1	Kerala General Sales Tax Act, 1963**	Sales Tax*	0.87	0.67	2001-2002	Tribunals of Sales Tax, Kochi.
2.2		Sales Tax (including Penalty)*	0.01	0.01	2007-2008 2008-2009 2009-2010 2010-2011 2011-2012	Check post authorities, Kerala.
	Total		0.94	0.74		

Notes:

- * Deposits under sales tax are adjustable against demand of other assessment years.
- ** Including balances under Central Sales Tax Act, 1956 with relevant rules of respective states.

41. **Employee Stock Option Plan (ESOP):**

The holding company has established Employee Stock Option Scheme 2000 and Employee Stock Based Compensation Plan 2005 for the employees of HCL Infosystems Limited and its subsidiaries.

HCL Infosystems Limited, Holding Company follows the Intrinsic Value Method of accounting and there is no charge for ESOPs based on this method during the current year which relates to the Company.

The impact on the profit of the Company for the current year ended June 30, 2014 and the basic and diluted earnings per share had the Holding Company followed the fair value method of accounting for stock options is set out below:

Particulars	₹/Crores	
	2014	2013
Profit/(Loss) after tax as per Statement of Profit and Loss (a)	(5.96)	(0.01)
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	(5.96)	(0.01)
Earnings/(Loss) Per Share based on earnings as per (a) above:		
- Basic and Diluted (Refer Note 36)	(₹ 1191.13)	(₹ 2.04)
Earnings/(Loss) Per Share had fair value method been employed for accounting of employee stock options:		
- Basic and Diluted	(₹ 1191.13)	(₹ 2.04)



HCL Services Limited (formerly known as HCL Care Limited)
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42. **Disclosure of related parties and related party transactions:**

a) **Company having substantial interest:**

HCL Corporation Private Limited

b) **Holding Company:**

HCL Infosystems Limited

c) **List of parties where control exists/existed and with whom transactions have taken place during the year and/or where balances exist:**

Subsidiaries:

HCL Insys Pte. Limited, Singapore

Fellow Subsidiaries:

HCL Learning Limited

HCL Infotech Limited (formerly known as HCL System Integration Limited)

Digilife Distribution and Marketing Services Limited

HCL Touch Inc., USA

HCL Infosystems MEA FZCO, Dubai

d) **Other related parties with whom transactions have taken place during the year and/or where balances exist:**

HCL Technologies Limited

HCL Comnet Limited

HCL Comnet Systems and Services Limited

HCL BPO Services (NI) Limited

Statstreet Hcl Services India Ltd

Shiv Nadar School

Universal Office Automation Limited

Manipal Universal Learning Private Limited.

Kiran Nadar Museum of Art

Shiv Nadar Foundation

SSN College of Engineering

SSN Trust

Shiv Nadar University

Note: Parties with whom transactions are more than 10% of the total value have been disclosed separately.



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

e) Summary of Related Party disclosures

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

(₹/Crores)

A. Transactions	Holding Company		Subsidiaries		Fellow Subsidiaries		Others		Total	
	Jun-14	Jun-13	Jun-14	Jun-13	Jun-14	Jun-13	Jun-14	Jun-13	Jun-14	Jun-13
Sales and Related Income	8.91	-			0.12	-	0.80	-	9.83	-
- HCL Infosystem Limited	8.91	-								
- HCL Infosystems MEA					0.12	-				
- HCL Technologies Limited							0.80	-		
Services	26.15	-			41.18	-	4.65	-	71.98	-
- HCL Infosystem Limited	26.15	-								
- Digilife Distribution and Marketing Services Limited					0.39	-				
- HCL Infotech Limited					33.41	-				
- HCL Learning Limited					4.19	-				
- HCL Infosystems MEA FZCO., Dubai					3.20	-				
- HCL Comnet Limited							0.77	-		
- HCL Technologies Limited							2.29	-		
- HCL BPO Services (NI) Limited							1.24	-		
Purchase of Goods	38.75	-	0.01	-	2.27	-			41.03	-
- HCL Infosystem Limited	38.75	-								
- HCL Insys Pte Ltd., Singapore			0.01	-						
- Digilife Distribution and Marketing Services Limited					1.87	-				
- HCL Infotech Limited					0.39	-				
Purchase of Services					0.01	-			0.01	-
- HCL Learning Limited					0.01	-				
Purchase of Investment			41.83	-	0.74	-			42.57	-
- HCL Insys Pte Ltd., Singapore			41.83	-						
- HCL Touch Inc, USA					0.74	-				
Share Capital	-	0.05							-	0.05
- HCL Infosystems Limited		0.05								
Inter Company Deposits (ICD) Taken	128.39	-							128.39	-
- HCL Infosystems Limited	128.39	-								
Interest on Inter Company Deposits (ICD) Taken	3.12	-							3.12	-
- HCL Infosystems Limited	3.12	-								
Assets Sold	0.18	-							0.18	-
- HCL Infosystems Limited.	0.18	-								
Reimbursements towards expenditure										
a) Received	-	0.01							-	0.01
- HCL Infosystems Limited.		0.01								
b) Paid	12.65	-							12.65	-
- HCL Infosystem Limited	12.65	-								
Net assets Received on Transfer of Business	10.00	-							10.00	-
- HCL Infosystems Limited (Refer Note 44)	10.00	-								
B. Amount due to / from related parties										
Investment			41.83	-	0.74	-			42.57	-
Business Consideration & Other Payables	60.88	-							60.88	-
Trade Receivables	17.16	-			37.97	-	2.46	-	57.59	-
Other Recoverables					10.93	-	0.11	-	11.04	-
Inter Company Deposits (ICD) Payable	128.39	-							128.39	-
Trade Payables	52.42	0.01			1.24	-			53.66	0.01

Note : Also refer Note 44



HCL Services Limited (formerly known as HCL Care Limited)
Notes to the Financial Statements

43. As on June 30, 2014, the foreign currency exposure that is not hedged by a derivative instrument or otherwise in respect of

Particulars	₹/ Crores	
	2014	2013
Trade Payables	0.88	-
Trade Receivables	3.71	-

44. The Hon'ble High Court of Delhi sanctioned a Composite Scheme of Arrangement (the "Scheme") between HCL Infosystems Limited, HCL Infotech Limited (formerly known as HCL System Integration Limited), HCL Services Limited (formerly known as HCL Care Limited), HCL Learning Limited (collectively the "Transferee Companies") and HCL Infocom Ltd and their respective shareholders and creditor under the provisions of section 391 to 394 of the Companies Act, 1956, vide its order dated September 18, 2013 received on October 30, 2013. The Scheme has become effective from November 1, 2013 on filing a certified copy of the High Court order with the office of the Registrar of the Companies, NCT of Delhi & Haryana and is applicable from January 1, 2013 (the "Appointed date").

In accordance with the Scheme, with effect from the Appointed Date, the Company has acquired Services Business from the Holding Company at a consideration of ₹ 61.00 Crores. The assets and liabilities pertaining to the Service Business, have been recorded at their respective fair values as on December 31, 2012, as determined by an independent valuer. The fair values of assets and liabilities acquired and recorded by the Company are ₹ 369.49 Crores and ₹ 359.49 Crores, respectively and ₹ 51.00 Crores, being excess of consideration paid over the fair values of assets and liabilities so acquired, has been recorded as Goodwill in the books of the Company.

In accordance with the Scheme, the HCL Infosystems Limited continued to carry on the business and activities in relation to the Services Undertakings on account of and in trust for the Company from January 1, 2013 (the "Appointed date") till November 1, 2013 (the "Effective date").

Pursuant to this, the Parent Company has transferred the profits/ (loss), amounting to ₹ 8.61 crores, attributable to the Service Business for the period from the Appointed date and up to June 30, 2013 to the Company. These profits/ (loss), after adjusting consequential impact on profits/ (loss) arising from difference between fair values and historical values of assets and liabilities, have been recorded by the Company in the 'Surplus in Statement of Profit and Loss' in Reserves and Surplus.

Transactions, for the period from July 1, 2013 to the effective date and attributable to the Service Business, have been included in these financial statements.

45. Investments in the company has been transferred from HCL Infosystems Limited, the Holding Company, pursuant to scheme of arrangement (Refer Note 44).HCL Infosystems Limited, the Holding Company, is in the process of transferring the Investments to the company.
46. Previous period's figures have also been regrouped/recasted, where necessary, to conform to the current year's presentation.

For Price Waterhouse
 Firm Registration Number-301112E
 Chartered Accountants

For and on behalf of the Board of Directors

ABHISHEK RARA
 Partner
 Membership Number -077779

HARSH CHITALE
 Director

PREMKUMAR SESHADRI
 Director

Place : Noida
 Date : August 28, 2014