

**S. D. CHOPRA & ASSOCIATES
CHARTERED ACCOUNTANTS**

**4, US COMPLEX, 120, MATHURA ROAD, OPP. INDRAPRASTHA APOLLO HOSPITAL, NEW DELHI-110076
Ph. 26397122**

Independent Auditor's Report

To the Members of

PIMPRI CHINCHWAD eSERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Pimpri Chinchwad eServices Limited ('the Company'), which comprise the balance sheet as at 31st March 2016, the statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

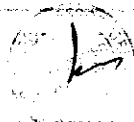
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its loss and its cash flow for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ('the order') issued by the central government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable :
2. As required by section 143(3) of the act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the statement of Profit And Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

A circular stamp with a handwritten signature inside, located at the bottom center of the page.

- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Noida

Date: 23rd May, 2016

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



S.D. Chopra
Proprietor
Membership No. 082537

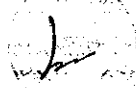
Annexure-A to Independent Auditor's Report -31st March 2016

PIMPRI CHINCHWAD eSERVICES LIMITED

1. In respect of its fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the period in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
2. The Company did not have any inventory at the end of the period.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act, for any of the products of the Company.
7. (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale tax, service tax, custom duty and excise duty were outstanding as at 31st March, 2016 for a period exceeding six months from the date they became payable.


~~(c) According to the information and explanation given to us , there are no dues required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.~~



8. In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from financial institution, bank or debenture holders.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period under review.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company . Hence, this clause is not applicable to the company.
13. All the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The requirement of section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to the company.

Place: Noida

Date: 23rd May, 2016

For S.D. Chopra & Associates
Chartered Accountants
Firm's Registration No. 003789N

S.D. Chopra
Proprietor
Membership No 082537

Annexure-B to Independent Auditor's Report -31st March 2016

PIMPRI CHINCHWAD eSERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

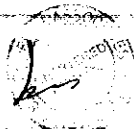
1. We have audited the internal financial controls over financial reporting of PIMPRI CHINCHWAD eSERVICES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the nine months period ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Noida

Date: 23rd May, 2016

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



S.D. Chopra
Proprietor
Membership No. 082537

Pimpri Chinchwad eServices Limited
Balance Sheet as at March 31, 2016

	Notes	As at 31.03.2016 ₹/Lakhs	As at 30.06.2015 ₹/Lakhs
Equity and Liabilities:			
Shareholders' funds			
Share capital	2, 3	5.00	5.00
Reserves and surplus	3	(7.06)	(5.68)
		(2.06)	(0.68)
Current Liabilities			
Short-term borrowings	4	1.07	-
Trade payables	5	2.34	0.76
		3.41	0.76
Total equity and liabilities		1.35	0.08
Assets:			
Current Assets			
Cash and cash equivalents	6	1.35	0.08
Total Assets		1.35	0.08
Significant Accounting Policies and Notes to Financial Statements	1-14		

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

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

For S D Chopra & Associates
Chartered Accountants
Firm Registration Number-003789N

SD Chopra
S D Chopra
Proprietor
Membership Number 82537

For and on behalf of the Board of Directors

SG Murali
SG Murali
Group CFO

Sunil Kumar Srivastava
Sunil Kumar Srivastava
Director

Sashi Sekhar Mishra
Sashi Sekhar Mishra
Director

Place : Noida

Date : 23rd May, 2016

Pimpri Chinchwad eServices Limited
Statement of Profit and Loss for the period ended March 31, 2016

	<u>Notes</u>	Nine Months Period ended 31.03.2016 ₹/Lakhs	Year ended 30.06.2015 ₹/Lakhs
Revenue			
Revenue from operations		-	-
Other income		-	-
		<u>-</u>	<u>-</u>
Expenses			
Finance costs		0.08	-
Depreciation and amortization expense	4	-	0.03
Other expenses	7	1.30	0.53
		<u>1.38</u>	<u>0.56</u>
Profit/(Loss) before exceptional and extraordinary items and tax		(1.38)	(0.56)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(1.38)	(0.56)
Extraordinary items		-	-
Profit/(Loss) before tax		(1.38)	(0.56)
Tax expense			
- Current tax			
- Deferred tax			
Profit/(Loss) for the year (a+b)		<u>(1.38)</u>	<u>(0.56)</u>
Earning per equity share (in ₹)			
Basic (of ₹ 10/- each)		(2.76)	(1.12)
Diluted (of ₹ 10/- each)		(2.76)	(1.12)


Significant Accounting Policies and Notes to Financial Statements 1-14

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

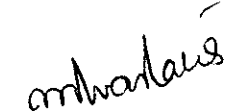
The notes referred to above form an integral part of the Statement of Profit and Loss

For S D Chopra & Associates
Chartered Accountants
Firm Registration Number-003789N

For and on behalf of the Board of Directors


S D Chopra
Proprietor
Membership Number 82537


SG Murali
Group CFO


Sunil Kumar Srivastava
Director

Place : Noida
Dated : 23rd May, 2016


Sashi Sekhar Mishra
Director

Pimpri Chinchwad eServices Limited


Cash Flow Statement for the Period ended March 31 2016

Particulars	Nine Months	Year ended
	Period ended 31.03.2016 ₹/Lakhs	30.06.2015 ₹/Lakhs
A. Cash Flow from Operating Activities:		
Net Profit / (Loss) before Tax	(1.38)	(0.56)
Adjustments for :		
Depreciation	-	0.03
Operating Profit/(Loss) before working capital changes	(1.38)	(0.53)
Adjustments for :		
Increase / (Decrease) in Trade Payables	1.58	0.53
Cash used in operations	0.20	-
Net Cash used in operating activities	0.20	-
B. Cash Flow from Investing Activities :		
Net Cash generated from Investing Activities	-	-
C. Cash Flow from Financing Activities :		
Proceeds from short term borrowings	1.07	-
Net cash generated from financing activities	1.07	-
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	1.27	-
Cash & Cash Equivalents, beginning of the year	0.08	0.08
Cash & Cash Equivalents, end of the year	1.35	0.08
Net Increase/ (Decrease) as disclosed above	1.27	-

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

For and on Behalf of Board of Directors

For **S. D. Chopra & Associates**
Chartered Accountants
Firm Registration Number-003789N


S. D. Chopra
Proprietor
M. No. 82537


SG Murali
Group CFO


Sunil Kumar Srivastava
Director

Sashi Sekhar Mishra
Director

Place : Noida
Date : 23rd May, 2016

Pimpri Chinchwad eServices Limited for the year ending March 31, 2016

1. Significant Accounting Policies

A. Background

Pimpri Chinchwad eServices Limited (hereinafter referred as "the Company") was incorporated on September 21, 2010 to carry on the business of Electronic Services provider and other Internet Enabled Services including Consultancy, Networking, Trading, Advertising, Retailing, Promoting, Publishing and others, and to Buy, Lease, or otherwise Acquire, and to sell, Lease, or otherwise offer Web Server Space, either in India or outside India.

B. Basis of Accounting

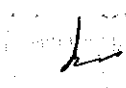
These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards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

C. Provisions and contingencies

The company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the amount of the obligation cannot be made.

D. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period.



Pimpri Chinchwad eServices Limited

Notes to the Financial Statements as at March 31, 2016

	As at 31.03.2016 ₹/Lakhs	As at 30.06.2015 ₹/Lakhs
2- Share Capital		
AUTHORISED SHARE CAPITAL		
50,000 Equity Shares (2015- 50,000) of Rs.10/- each	5.00	5.00
TOTAL	5.00	5.00
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
50,000 Equity Shares (2015- 50,000) of Rs.10/- each Fully Paid Up	5.00	5.00
TOTAL	5.00	5.00

Notes:

	As at 31.03.2016 ₹/Lakhs	As at 30.06.2015 ₹/Lakhs
(i) Shares held by Holding Company		
42,500 (2015- 42,500) Equity shares held by HCL Infosystems Limited, the Holding Company.	4.25	4.25

(ii) Terms and Right attached to equity shares:

The Company has only one class of equity share having a face value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by Shareholders.

(iii) Shareholders Holding more than 5% of Shares Capital	As at 31.03.2016		As at 30.06.2015	
	No of Shares	% of shares	No of Shares	% of shares
(a) HCL Infosystems Limited	42,500	85.00	42,500	85.00
(b) IL&FS Environmental Infrastructure And Services Limited	7,500	15.00	7,500	15.00

4- Short Term Borrowings

Loans and advances from related parties	1.07	-
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5- Trade Payables

Trade Payables		
- Outstanding due to other than Micro and Small Enterprises.	2.34	0.76
TOTAL	2.34	0.76

6- Cash And Cash Equivalents

Balances with Banks		
- On Current Account	1.35	0.08
TOTAL	1.35	0.08

Pimpri Chinchwad eServices Limited

Notes to the Financial Statements as at March 31, 2016

3- Movement in Share Capital and Reserve and Surplus

(₹ in Lakhs)

Particulars	Profit/(loss) Account
As at July 1, 2014	(5.12)
Issue of equity shares	
Shares bought back during the year	
Profit/(Loss) for the year	<u>(0.56)</u>
As at June 30, 2015	<u>(5.68)</u>
As at July 1, 2015	(5.68)
Issue of equity shares	
Shares bought back during the year	
Profit/(Loss) for the year	<u>(1.38)</u>
As at March 31, 2016	<u>(7.06)</u>

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Pimpri Chinchwad eServices Limited
Notes to the Statement of Profit and Loss for the period ended March 31, 2016

	Nine Months Period ended 30.06.2015 ₹/Lakhs	Year ended 30.06.2015 ₹/Lakhs
7 - Other Expenses		
Legal and Professional	1.30	0.53
TOTAL	1.30	0.53



Pimpri Chinchwad eServices Limited for the year ending March 31, 2016

8. Contingent Liabilities

Claims against the company not acknowledged as debts - Rs. Nil (2015- Rs. Nil).

9. Based on the information available with the Company, no enterprise has been identified which is covered under the micro, small and medium enterprises Development Act, 2006. The amount outstanding for the same as on March 31, 2016 is Rs. Nil (2015- Rs. Nil).

10. Remuneration to Auditors (Excluding service tax)

	Amounts in ₹ Lakhs	
	March 31, 2016	June 30, 2015
As Auditor	0.30	0.25
Out of pocket expenses	0.03	0.03

11. Disclosure of related parties and related party transactions.

a. Holding Company

HCL Infosystems Limited
(Holds 85% equity share capital of the Company)

	March 31, 2016	June 30, 2015
Inter CD Payable	1.07	-
Interest on ICD	0.03	-

b. Company having substantial interest

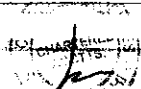
HCL Corporation Private limited due to substantial interest in voting power

12. The Company's business falls within a single primary business and geographical segment. Accordingly, pursuant to Accounting Standard 17 on 'Segment Reporting', notified under section 211 (3C) of the Companies Act, 1956 read with Rule 7 of the Companies (Accounts) Rules, 2014 & Section 133 of the Companies Act, 2013 as at March 31, 2016, segment information is not required to be disclosed.

13. 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	For the Nine months period ended 31.03.2016	For the Year ended 30.06.2015
Profit / (Loss) after tax (₹ in lakhs)	(1.38)	(0.56)
Weighted average number of shares considered as outstanding in computation of Basic & Diluted EPS	50,000	50,000
Earnings / (Loss) per share - Basic and Diluted (of Rs. 10/- each)	(2.76)	(1.12)





14. The current year's figure are from July 1, 2015 to March 31, 2016 and to the extent are not comparable with those for the previous year. Previous period figures have been regrouped / rearranged to conform to current year presentation.


As per our report on even date attached

For and on Behalf of Board of Directors

For S D Chopra & Associates
Chartered Accountants
Firm Registration Number-003789N



S D Chopra
Proprietor
Membership No:82537


SG Murali
Group CFO
Sunil Kumar Srivastava
Director

Place : Noida
Date : 23rd May, 2016


Sashi Sekhar Mishra
Director