HCL Eagle Limited

Financial Statements

For the years ended 31 March 2020 and 2019

HCL Eagle Limited
Balance Sheet as at 31 March 2020
(All amounts in thousands of ₹ unless stated otherwise)

	Note No.	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
(1) Current assets			
(a) Financial assets			
(i) Investments	**2.1**	130,726	126,310
(ii) Cash and cash equivalents	**2.2**	1,268	1,621
(b) Other current assets	**2.3**	544	504
(c) Current tax assets (net)		182	-
TOTAL ASSETS		**132,720**	**128,435**
II. EQUITY			
(a) Equity share capital	**2.4**	1,000	1,000
(b) Other equity		128,494	123,266
TOTAL EQUITY		**129,494**	**124,266**
III. LIABILITIES			
(1) Non-current liabilities			
(a) Deferred tax liabilities (net)	**2.11**	469	601
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	**2.5**		
1. Dues of micro enterprises and small enterprises	**2.14**	-	-
2. Dues of creditors other than micro enterprises and small enterprises		-	4
(ii) Others	**2.6**	2,739	620
(b) Other current liabilities	**2.7**	18	18
(c) Current tax liabilities (net)		-	2,926
TOTAL LIABILITIES		**3,226**	**4,169**
TOTAL EQUITY AND LIABILITIES		**132,720**	**128,435**
Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/ W-100022

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.07.01 18:41:27 +05'30'

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: 01 July 2020

For and on behalf of the Board of Directors of HCL Eagle Limited

PRAHLAD RAI BANSAL Digitally signed by PRAHLAD RAI BANSAL Date: 2020.07.01 17:49:42 +05'30'

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Prahlad Rai Bansal
Director

Rahul Singh
Director

Noida (UP), India
Date: 01 July 2020

HCL Eagle Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in thousands of ₹ unless stated otherwise)

		Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	**Revenue**			
	Other income	**2.8**	7,645	9,052
	Total revenue		**7,645**	**9,052**
II	**Expenses**			
	Finance costs	**2.9**	211	-
	Other expenses	**2.10**	218	319
	Total expenses		**429**	**319**
III	**Profit before tax**		**7,216**	**8,733**
IV	**Tax expense**	**2.11**		
	Current tax		2,120	3,089
	Deferred tax charge		(132)	(565)
	Total tax expense		1,988	2,524
V	**Profit for the year**		**5,228**	**6,209**
VI	**Other comprehensive income**		-	-
VII	**Total Comprehensive Income for the year**		**5,228**	**6,209**
	Earnings per equity share of ₹ 10 each			
	Basic and diluted (in ₹)	**2.12**	52.28	62.09
	Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/ W-100022

ANURAG KUMAR MAHESHWARY
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Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: 01 July 2020

For and on behalf of the Board of Directors of HCL Eagle Limited

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Prahlad Rai Bansal
Director

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Rahul Singh
Director

Noida (UP), India
Date: 01 July 2020

HCL Eagle Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in thousands of ₹ unless stated otherwise)

	Equity share capital		Other equity
	Number of shares	Share capital	Reserves and Surplus
			Retained earnings
Balance as at 1 April 2018	**100,000**	**1,000**	**117,057**
Profit for the year	-	-	6,209
Other comprehensive income / (loss)	-	-	-
Total comprehensive income for the year	**-**	**-**	**6,209**
Balance as at 31 March 2019	**100,000**	**1,000**	**123,266**
Profit for the year	-	-	5,228
Other comprehensive income / (loss)	-	-	-
Total comprehensive income for the year	**-**	**-**	**5,228**
Balance as at 31 March 2020	**100,000**	**1,000**	**128,494**

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/ W-100022

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.07.01 18:46:00 +05'30'

Anurag Maheshwary
Partner

Membership Number: 506533

Gurugram, India
Date: 01 July 2020

For and on behalf of the Board of Directors of HCL Eagle Limited

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Prahlad Rai Bansal
Director

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Rahul Singh
Director

Noida (UP), India
Date: 01 July 2020

HCL Eagle Limited

Statement of Cash Flows for the year ended 31 March 2020

(All amounts in thousands of ₹ unless stated otherwise)

		Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flows from operating activities			
Profit before tax		7,216	8,733
Adjustment for:			
Income on investments carried at fair value through profit and loss		(7,645)	(8,653)
Provision no longer required, written back		-	(396)
Operating loss before working capital changes		**(429)**	**(316)**
Movement in Working Capital			
(Increase)/decrease in other assets		(40)	(108)
Increase/(decrease) in trade payables		(4)	4
Increase/ (decrease) in other liabilities		-	(349)
Cash used in operations		**(473)**	**(769)**
Direct taxes paid (net of refunds)		(3,109)	499
Net cash flow used in operating activities	**(A)**	**(3,582)**	**(270)**
B. Cash flows from investing activities			
Purchase of investments in securities		(362,000)	(124,000)
Proceeds from sale of investments in securities		365,229	124,754
Net cash flow from investing activities	**(B)**	**3,229**	**754**
Net increase (decrease) in cash and cash equivalents (A+B)		(353)	484
Cash and cash equivalents at the beginning of the year		1,621	1,137
Cash and cash equivalents at the end of the year as per Note 2.2		**1,268**	**1,621**

Refer note 1 for summary of significant accounting policies

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/ W-100022

ANURAG KUMAR MAHESHWARY Digitally signed by ANURAG KUMAR MAHESHWARY Date: 2020.07.01 18:48:02 +05'30'

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: 01 July 2020

For and on behalf of the Board of Directors of HCL Eagle Limited

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Prahlad Rai Bansal
Director

RAHUL SINGH Digitally signed by RAHUL SINGH Date: 2020.07.01 17:54:10 +05'30'

Rahul Singh
Director

Noida (UP), India
Date: 01 July 2020

ORGANIZATION AND NATURE OF OPERATIONS

HCL Eagle Limited (hereinafter referred to as "the Company") is primarily engaged in providing a range of software services to its client from its finance services vertical. The Company was incorporated under the provisions of the Companies Act applicable in India on 14 September 2011, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi- 110019. The holding Company is HCL Technologies Limited.

The financial statements for the year ended 31 March 2020 were approved and authorized for issue by the Board of Directors on 01 July 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements.

The Hon'ble National Company Law Tribunal ("NCLT"), New Delhi, vide its Order dated 12 December 2019 along with its Modification Order dated 23 January 2020 ("Delhi Order"), and NCLT, Bengaluru vide its order dated June 24, 2020 ("Bangalore Order"), sanctioned the Scheme of Amalgamation ("Scheme") of HCL Eagle Limited, HCL Comnet Limited, HCL Technologies Solutions Limited and Concept2Silicon Systems Private Limited with and into HCL Technologies Limited on a going concern basis. The certified copy of the Delhi Order has been filed with the Registrar of Companies on 13 March 2020. The company is in the process of filling the certified copy of the Bengaluru Order with Registrar of companies. The Scheme will be effective from the date on which the certified copy of the Bengaluru Order is filed with the Registrar of Companies. The Appointed date of the Scheme is April 1, 2019. Accordingly, these financial statements have been prepared on a going concern basis, and pending submission of Bangalore Order with Registrar of Companies, no effects of the Scheme have been given in these financial statements.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial assets and liabilities measured at fair value (refer to the accounting policy regarding financial instruments).

The Company uses the Indian Rupee ('₹') as its reporting currency.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

(b) *Use of estimates*

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance, allowance for uncollectible accounts receivables, income taxes. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

(c) Foreign currency and translation

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, Expenses and Cash Flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

(d) Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain mutual fund which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

(e) Income taxes

Income tax expense comprises current and deferred income tax.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

(f) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

The company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(g) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash in banks.

Financial assets at amortized cost
A financial asset is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Financial asset at Fair Value through Profit and Loss
Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition of financial assets
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

ii. **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities at amortized cost includes trade payables and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(h) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

HCL Eagle Limited
Notes to financial statements for the year ended 31 March 2020

(All amounts in thousands of ₹ unless stated otherwise)

2.1 Investments

	As at	
	31 March 2020	31 March 2019
Financial assets		
Current		
Unquoted investments		
Carried at fair value through profit and loss		
Investment in mutual funds	130,726	126,310
Aggregate amount of current investments	**130,726**	**126,310**

2.2 Cash and cash equivalents

	As at	
	31 March 2020	31 March 2019
Cash and cash equivalents		
Balance with banks		
- in current accounts	1,268	1,621
	1,268	**1,621**

2.3 Other current assets

	As at	
	31 March 2020	31 March 2019
Unsecured , considered good		
Service tax recoverable	544	504
	544	504
Unsecured , considered doubtful		
Service tax recoverable	109	109
Less: Provision for doubtful advances	(109)	(109)
	-	-

2.4 Share capital

	As at	
	31 March 2020	31 March 2019
Authorized		
100,000 (31 March 2020), 100,000 (31 March 2019) equity shares of ₹ 10 each	1,000	1,000
Issued, subscribed and fully paid up		
100,000 (31 March 2020), 100,000 (31 March 2019) equity shares of ₹ 10 each	1,000	1,000

Terms/ rights attached to equity shares

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

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

HCL Eagle Limited
Notes to financial statements for the year ended 31 March 2020

(All amounts in thousands of ₹ unless stated otherwise)

2.4 Share capital (Continued)

Reconciliation of the number of shares outstanding at the beginning and at the end of the financial period

	As at			
	31 March 2020		31 March 2019	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Number of shares at the beginning	100,000	1,000	100,000	1,000
Add: Shares issued during the period	-	-	-	-
Number of shares at the end	100,000	1,000	100,000	1,000

Shares held by holding/ultimate holding company:

	As at	
	31 March 2020	31 March 2019
HCL Technologies Limited, the holding company		
100,000 (31 March 2019 : 100,000) equity shares of ₹ 10 each	1,000	1,000

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at			
	31 March 2020		31 March 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
HCL Technologies Limited, the holding company	100,000	100.00%	100,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There were no bonus shares issued, no share issued for consideration other than cash and no shares bought back during the year (previous year : nil).

2.5 Trade payables

	As at	
	31 March 2020	31 March 2019
Trade payables	-	4
	-	**4**

2.6 Other financial liabilities

	As at	
	31 March 2020	31 March 2019
Current		
Carried at amortised cost		
Liabilities for Expenses	620	620
Other payables- related parties*	2,119	-
	2,739	**620**

* The amount is outstanding with holding company.

HCL Eagle Limited

Notes to financial statements for the year ended 31 March 2020

(All amounts in thousands of ₹ unless stated otherwise)

2.7 Other current liabilities

	As at	
	31 March 2020	**31 March 2019**
Withholding and other taxes payable	18	18
	18	**18**

2.8 Other income

	Year ended	
	31 March 2020	**31 March 2019**
Income on investments carried at fair value through profit and loss		
- Unrealized loss on fair value changes on mutual funds	(506)	(4,274)
- Profit on sale of mutual funds	8,151	12,927
Provisions no longer required, written back	-	396
Miscellaneous income	-	3
	7,645	**9,052**

2.9 Finance cost

	Year ended	
	31 March 2020	**31 March 2019**
Interest		
-on direct taxes	211	-
	211	**-**

2.10 Other expenses

	Year ended	
	31 March 2020	**31 March 2019**
Legal and professional charges	217	307
Rates and taxes	1	12
	218	**319**

2.11 Income taxes

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 March 2020	**31 March 2019**
Profit before income tax	7,216	8,733
Statutory tax rate in India	26.00%	27.82%
Expected tax expense	1,876	2,429
Permanent differences	111	88
Others(net)	1	7
Total taxes	**1,988**	**2,524**
Effective income tax rate	27.5%	28.9%

The Company has an ongoing litigation with tax authorities that arises in the ordinary course of business. The possibility of any outflow in settlement of litigation is remote.

Beginning with current year, corporate taxpayers can opt for a specified lower tax rate in lieu of current applicable tax rate subject to taxpayers not claiming any specified tax incentives including carryover of unutilized MAT credit. The Company is currently evaluating the options available for concessional tax rate as it is in process of amalgamating with its Ultimate Holding Company as specified in note 1(a) to the financial statements.

Components of deferred tax assets and liabilities as on 31 March 2020

	Opening balance	**Recognized in profit and loss**	**Closing balance**
Deferred tax assets	-	-	-
Gross deferred tax assets (A)	-	-	-
Deferred tax liabilities			
Unrealized gain on mutual fund	601	(132)	469
Gross deferred tax liabilities (B)	**601**	**(132)**	**469**
Net deferred tax liabilities / (assets) (B-A)	**601**	**(132)**	**469**

Components of deferred tax assets and liabilities as on 31 March 2019

	Opening balance	**Recognized in profit and loss**	**Closing balance**
Deferred tax assets			
MAT credit entitlement	529	(529)	-
Gross deferred tax assets (A)	**529**	**(529)**	**-**
Deferred tax liabilities			
Unrealized gain on mutual fund	1,695	(1,094)	601
Gross deferred tax liabilities (B)	**1,695**	**(1,094)**	**601**
Net deferred tax liabilities / (assets) (B-A)	**1,166**	**(565)**	**601**

HCL Eagle Limited
Notes to financial statements for the year ended 31 March 2020

(All amounts in thousands of ₹ unless stated otherwise)

2.12 Earnings per share

The computation of earnings per share is as follows:

	Year ended	
	31 March 2020	**31 March 2019**
Net profit as per statement of profit and loss for computation of EPS	5,228	6,209
Weighted average number of equity shares outstanding in calculating Basic EPS and Diluted EPS	100,000	100,000
Nominal value of equity shares (in ₹)	10.00	10.00
Earnings per equity share (in ₹)		
- Basic	52.28	62.09
- Diluted	52.28	62.09

2.13 Financial instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2020 is as follows:

	Fair value through profit and loss	**Amortized cost**	**Total carrying value**
Financial assets			
Investments	130,726	-	130,726
Cash and cash equivalents	-	1,268	1,268
Total	130,726	1,268	131,994
Financial liabilities			
Others (refer note 2.6)	-	2,739	2,739
Total	-	2,739	2,739

The carrying value of financial instruments by categories as at 31 March 2019 is as follows:

	Fair value through profit and loss	**Amortized cost**	**Total carrying value**
Financial assets			
Investments	126,310	-	126,310
Cash and cash equivalents	-	1,621	1,621
Total	126,310	1,621	127,931
Financial liabilities			
Trade Payables	-	4	4
Others (refer note 2.6)	-	620	620
Total	-	624	624

(All amounts in thousands of ₹ unless stated otherwise)

2.13 Financial instruments (continued)

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March,2020 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	130,726	130,726	-	-

There have been no transfers between Level 1 and Level 2 during the year.

The assets and liabilities measured at fair value on a recurring basis as at 31 March, 2019 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	126,310	126,310	-	-

There have been no transfers between Level 1 and Level 2 during the year

Valuation methodologies

Investments: The company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1.

The Company assessed that fair value of cash and cash equivalets, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial assets measured using level 1 inputs primarily include investment securities in liquid debt funds and the fair value being marked to an active market which factors the impact of COVID-19, we do not expect material volatility in these financial assets.

(All amounts in thousands of ₹ unless stated otherwise)

2.14 Financial instruments (continued)

(b) Financial risk management

The Company is exposed to credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.
The Company's risk management procedures aim to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Credit risk
Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances and investment securities. The cash resources of the Company are invested with mutual funds after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

2.14 Micro and Small Enterprises

As per information with the management, the due payable as at any time during the year ended 31 March 2020 to enterprises covered under "The Micro, Small and Medium Enterprises development Act, 2006" is Nil (previous year : Nil).

This has been determined on the basis of responses received from vendors on specific confirmation sought by the company in this regard.

2.15 Auditor's remuneration

	Year ended	
	31 March 2020	**31 March 2019**
Audit fees (included under legal and professional charges in note 2.10)	180	180
	180	180

2.16 Segment reporting

In the opinion of management company has only one business segment and the company operates majorly in a single geographical segment and hence there are no reportable segments as envisaged in Ind AS 108 'Operating Segments' notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accordingly, no disclosures for segment reporting have been included in the financial statements.
There is no operational revenue during the current year and previous year.

2.17 Subsequent events

The Company has evaluated all the subsequent events through 01 July 2020, which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/ W-100022

ANURAG KUMAR MAHESHWARY
Digitally signed by ANURAG KUMAR MAHESHWARY
Date: 2020.07.01 18:49:48 +05'30'

Anurag Maheshwary
Partner
Membership Number: 506533

Gurugram, India
Date: 01 July 2020

For and on behalf of the Board of Directors of HCL Eagle Limited

PRAHLAD RAI BANSAL
Digitally signed by PRAHLAD RAI BANSAL
Date: 2020.07.01 17:52:19 +05'30'

Prahlad Rai Bansal
Director

RAHUL SINGH
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Date: 2020.07.01 17:53:31 +05'30'

Rahul Singh
Director

Noida (UP), India
Date: 01 July 2020