HCL Software Limited (formerly HCL Foundation)

Financial Statements

For the year ended 31 March 2021 and 2020

HCL Software Limited (formerly HCL Foundation)
Balance Sheet as at 31 March 2021
(All amounts in thousands of ₹ except share data and as stated otherwise)

	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
(1) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	**2.1**	-	268
(ii) Others	**2.2**	15	-
TOTAL ASSETS		**15**	**268**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	**2.3**	500	500
(b) Other equity		(500)	(262)
TOTAL EQUITY		**-**	**238**
(2) Current liabilities			
(a) Financial liabilities			
(i) Liabilities for expenses	**2.4**	-	30
(b) Others	**2.5**	15	-
TOTAL EQUITY AND LIABILITIES		**15**	**268**
Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vimal Chauhan
Partner
Membership Number: 511230

Place: Gurugram, India
Date: 15 June 2021

For and on behalf of the Board of Directors
of HCL Software Limited (formerly HCL Foundation)

Amit Roy

Nalin Mittal
Director

Amit Roy
Director

Place: Noida (UP), India
Date: 15 June 2021

HCL Software Limited (formerly HCL Foundation)
Statement of Profit & Loss for the year ended 31 March 2021
(All amounts in thousands of ₹ except share data and as stated otherwise)

		Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	**Revenue**		-	-
II	**Expenses**			
	Other expenses	**2.6**	238	41
	Total expenses		**238**	**41**
III	**Loss before tax**		**(238)**	**(41)**
IV	**Tax expense**		-	-
V	**Loss for the year**		**(238)**	**(41)**
VI	**Other comprehensive income for the year**		-	-
VII	**Total comprehensive loss for the year**		**(238)**	**(41)**
	Earnings per equity share of ₹ 10 each			
	Basic (in ₹)		(4.76)	(0.82)
	Diluted (in ₹)		(4.76)	(0.82)
	Summary of significant accounting policies	**1**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vimal Chauhan
Partner
Membership Number: 511230

Place: Gurugram, India
Date: 15 June 2021

For and on behalf of the Board of Directors
of HCL Software Limited (formerly HCL Foundation)

Amit Roy

Nalin Mittal
Director

Amit Roy
Director

Place: Noida (UP), India
Date: 15 June 2021

HCL Software Limited (formerly HCL Foundation)
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in thousands of ₹, except share data and as stated otherwise)

	Equity share capital		Other Equity	
			Reserves and Surplus	
	Number of Shares	Share capital	Retained earnings	Total
Balance as at 1 April 2019	50,000	500	(221)	(221)
Loss for the year	-	-	(41)	(41)
Total comprehensive loss for the year	**-**	**-**	**(41)**	**(41)**
Balance as at 31 March 2020	**50,000**	**500**	**(262)**	**(262)**
Loss for the year	-	-	(238)	(238)
Total comprehensive loss for the year	**-**	**-**	**(238)**	**(238)**
Balance as at 31 March 2021	**50,000**	**500**	**(500)**	**(500)**

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vimal Chauhan
Partner
Membership Number: 511230

Place: Gurugram, India
Date: 15 June 2021

For and on behalf of the Board of Directors
of HCL Software Limited (formerly HCL Foundation)

Amit Roy

Nalin Mittal
Director

Amit Roy
Director

Place: Noida (UP), India
Date: 15 June 2021

HCL Software Limited (formerly HCL Foundation)
Statement of cash flows for the year ended 31 March 2021
(All amounts in thousands of ₹ except share data and as stated otherwise)

	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flows from operating activities		
Loss before tax	(238)	(41)
Adjustment for:		
Operating profit before working capital changes	**(238)**	**(41)**
Net Changes in		
Other financial assets	(15)	-
Other current liabilities	(15)	(20)
Net cash used in operating activities	**(268)**	**(61)**
Decrease in cash and cash equivalents	(268)	(61)
Add: Cash and cash equivalents at the beginning of the year	268	329
Cash and cash equivalents at the end of the year as per Note 2.1	**-**	**268**

Refer note 1 for summary of significant accounting policies

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vimal Chauhan
Partner
Membership Number: 511230

Place: Gurugram, India
Date: 15 June 2021

For and on behalf of the Board of Directors
For HCL Software Limited (formerly HCL Foundation)

Amit Roy

Nalin Mittal
Director

Amit Roy
Director

Place: Noida (UP), India
Date: 15 June 2021

HCL Software Limited (formerly HCL Foundation)
Notes to financial statements for the year ended 31 March 2021
(All amounts in thousands of ₹, except share data and as stated otherwise)

Overview

HCL Software Limited, a Company limited by shares having its registered office at, 806, Siddharth, 96 Nehru Place, New Delhi, was formed on 30 December 2014. During the financial year 2020-21, Management initiated the process to convert the status of this company from a Section 8 Company to a Public Limited Company. Pursuant to the order of Hon'ble Regional Director, Northern Region dated 12 January 2021, the company became a Public Limited Company under the Companies Act, 2013. Subsequently, w.e.f. 9 February 2021, the name of the company has been changed from HCL Foundation to HCL Software Limited as per the renewed certificate of incorporation received consequent to surrender of license issued under Section 8 of the Companies Act, 2013.

The company is primarily engaged in providing IT and IT enabled services that includes all types of software-led IT Solutions, remote infrastructure management services, business process outsourcing, manufacturing or sale of computing, communications and related equipment and peripherals. The company also provides services like staff and management recruitment, training and placements, technical analysis of data and other services of professional and technical nature and to undertake assignments, jobs and appointments.

The financial statements for the year ended 31 March 2021 were approved and authorized for issue by the Board of Directors on 15 June 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the company have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the 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.

During the previous year, the Company decided to initiate the liquidation procedures as the management of the Company does not intend to continue with its operations and will cease all its activities. Accordingly, these financial statements have been prepared under liquidation basis.

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.

b) Provisions

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.

c) 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.

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 which are subject to an insignificant risk of changes in value.

Financial instruments at amortized cost
A financial instrument 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.

De recognition
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.

Financial liabilities

All financial liabilities are recognized initially at fair value.

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.

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

d) Income taxes

Income tax expense comprises current tax.

Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. 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

e) Earnings per share

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 Software Limited (formerly HCL Foundation)
Notes to financial statements for the year ended 31 March 2021

(All amounts in thousands of ₹ except share data and as stated otherwise)

2.1 Cash and bank balances

	As at	
	31 March 2021	**31 March 2020**
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	-	268
	-	**268**

2.2 Other Financial assets

	As at	
	31 March 2021	**31 March 2020**
Others		
Other receivables	15	-
	15	**-**

2.3 Equity share capital

	As at	
	31 March 2021	**31 March 2020**
Authorized		
50,000 (31 March 2020, 50,000) equity shares of ₹10 each	500	500
Issued, subscribed and fully paid up		
50,000 (31 March 2020, 50,000) equity shares of ₹10 each	500	500

Terms/ rights,preferences and restrictions 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.

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

	As at			
	31 March 2021		**31 March 2020**	
	No. of shares	**₹ in Thousands**	**No. of shares**	**₹ in Thousands**
Number of shares at the beginning of the year	50,000	500	50,000	500
Number of shares at the end of the year	50,000	500	50,000	500

Equity shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below: -

	As at			
	31 March 2021		**31 March 2020**	
	No. of shares	**% holding in the class**	**No. of shares**	**% holding in the class**
Equity shares of ₹ 10 each fully paid				
HCL Technologies Limited and its nominee shareholders	50,000	100%	50,000	100%

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

	As at			
	31 March 2021		**31 March 2020**	
	No. of shares	**% holding in the class**	**No. of shares**	**% holding in the class**
Equity shares of ₹10 each fully paid				
HCL Technologies Limited and its nominee shareholders	50,000	100%	50,000	100%

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during the year (31 March 2020, Nil).

HCL Software Limited (formerly HCL Foundation)
Notes to financial statements for the year ended 31 March 2021
(All amounts in thousands of ₹ except share data and as stated otherwise)

2.4 Financial liabilities

	As at	
	31 March 2021	**31 March 2020**
Carried at amortized cost		
Liabilities for expenses	-	30
	-	30

2.5 Other current liabilities

	As at	
	31 March 2021	**31 March 2020**
Others		
Withholding tax payable	15	-
	15	**-**

2.6 Other expenses

	Year ended	
	31 March 2021	**31 March 2020**
Legal and professional charges	238	36
Rates and taxes	-	5
	238	**41**

2.7 Earning per share

The computation of earnings per share is as follows: -

	As at	
	31 March 2021	**31 March 2020**
Loss for the year attributable to shareholders of the Company	(238)	(41)
Weighted average number of shares outstanding in calculating basic EPS	50,000	50,000
Weighted average number of shares outstanding in calculating dilutive EPS	50,000	50,000
Nominal value of equity shares (in ₹)	10	10
Earnings per equity share (in ₹)		
- Basic	(4.76)	(0.83)
- Diluted	(4.76)	(0.83)

2.8 Financial instruments

a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2021 is as follows:

	Amortized cost	**Total carrying value**
Financial assets		
Cash and cash equivalents	-	-
Others	15	
Total	**15**	**-**
Financial liabilities		
Liabilities for expenses	-	-
Total	**-**	**-**

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

	Amortized cost	**Total carrying value**
Financial assets		
Cash and cash equivalents	268	268
Total	**268**	**268**
Financial liabilities		
Liabilities for expenses	30	30
Total	**30**	**30**

(All amounts in thousands of ₹ except share data and as stated otherwise)

2.9 Payment to auditors

	Year ended	
	31 March 2021	**31 March 2020**
Audit fees	25	25
	25	**25**

2.10 Micro and small enterprises

As per information available with the management, the dues payable as at time during the period ended 31 March 2021 to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006 is ₹Nil (31 March 2020, ₹Nil).

2.11 Change in corporate structure

The Members of the Company on the recommendation of the Board of Directors decided to cease the operations in its meeting held on 19 August 2019 as the Company is not undertaking any of its stated objectives since its inception.

In order to shut down its operation, the company needs to
(a) Convert status of the Company from a Section 8 (not-for-profit) company into a public limited company; and
(b) Apply for voluntary strike-off of its name as per Section 248 of the Companies Act, 2013.

In the current year, the status of the company has been converted from a Section 8 company into a public limited company pursuant to the Order of the Hon'ble Regional Director, Northern Region dated 12 January 2021. Further, a renewed Certificate of Incorporation has been issued by the Registrar of Companies on 9 February 2021 pursuant to which the name of the Company has been changed to HCL Software Limited.

The Company is in process to apply for voluntary strike-off of its name as per Section 248 of the Companies Act, 2013.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Vimal Chauhan
Partner
Membership Number:

Place: Gurugram, India
Date: 15 June 2021

For and on behalf of the Board of Directors
of HCL Software Limited (formerly HCL Foundation)

Amit Roy

Nalin Mittal
Director

Amit Roy
Director

Place: Noida (UP), India
Date: 15 June 2021