

# **HCL Foundation**

Financial Statements

Years ended 31 March 2019 and 2018

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of HCL Foundation

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of HCL FOUNDATION ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Emphasis of Matter**

We draw attention to Note 1(a) in the financial statements which indicates that the management of Company does not intend to continue with its operations and close the business. The financial statements have been prepared under liquidation basis. Accordingly, all asset and liabilities have been measured and stated at values at which they are expected to be realized or settled at and provisions have been made in the books of account for the losses arising or likely to arise on account of such closure, to the extent ascertained by management at the time of preparation of these accounts.

Our opinion is not qualified in respect of this matter.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.



Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the 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, in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.
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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



# **S.R. BATLIBOI & Co. LLP**

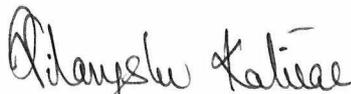
Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Nilangshu Katriar

Partner

Membership Number: 058814



Place of Signature: Gurugram

Date: June 19, 2019

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HCL FOUNDATION**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of HCL Foundation ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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. 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 the 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statement.



**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Nilangshu Katriar

Partner

Membership Number: 058814

Place of Signature: Gurugram

Date: June 19, 2019



HCL Foundation  
Balance Sheet as at 31 March 2019  
(All amounts in thousands of ₹)

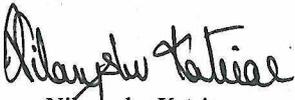
	Note No.	As at 31 March 2019	As at 31 March 2018
<b>I. ASSETS</b>			
(1) Non-current assets		-	-
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	2.1	329	361
<b>TOTAL ASSETS</b>		<u>329</u>	<u>361</u>
<b>II. EQUITY</b>			
(a) Equity share capital	2.2	500	500
(b) Other equity		(221)	(189)
<b>TOTAL EQUITY</b>		<u>279</u>	<u>311</u>
<b>III. LIABILITIES</b>			
(1) Non - current liabilities		-	-
(2) Current liabilities			
(a) Financial liabilities			
(i) Liabilities for expenses	2.3	50	50
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>329</u>	<u>361</u>
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 S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration Number : 301003E/E300005  
Chartered Accountants

For and on behalf of the Board of Directors  
of HCL Foundation

  
per Nityangshu Katriar  
Partner  
Membership Number: 058814



  
Sanjay Mendiratta  
Director

  
Amit Roy  
Director

Gurugram, India  
Date: 19 JUNE, 2019

Noida (UP), India  
Date: 19 June 2019



HCL Foundation

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in thousands of ₹)

	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
<b>I Revenue</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total income</b>		<u>-</u>	<u>-</u>
<b>II Expenses</b>			
Other expenses	2.4	32	48
<b>Total expenses</b>		<u>32</u>	<u>48</u>
<b>III Loss before tax</b>		(32)	(48)
<b>IV Tax expense</b>		-	-
<b>V Loss for the year</b>		<u>(32)</u>	<u>(48)</u>
<b>VI Other comprehensive income</b>		-	-
<b>VII Total comprehensive income for the year</b>		<u>(32)</u>	<u>(48)</u>
<b>Earnings per equity share of ₹ 10 each</b>			
Basic (in ₹)		(0.64)	(0.96)
Diluted (in ₹)		(0.64)	(0.96)

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 S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

  
per Nilangshu Katriar  
Partner

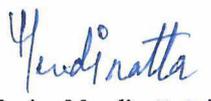
Membership Number: 058814

Gurugram, India

Date: 19 JUNE, 2019



For and on behalf of the Board of Directors  
of HCL Foundation

  
Sanjay Mendiratta  
Director

Noida (UP), India

Date: 19 June 2019



  
Amit Roy  
Director

HCL Foundation

Statement of Changes in Equity for the year ended 31 March 2019

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

	Equity share capital		Other Equity	
	Number of Shares	Share capital	Retained earnings	Total
Balance as at 1 April 2017	50,000	500	(141)	(141)
Loss for the year	-	-	(48)	(48)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>(48)</b>	<b>(48)</b>
Balance as at 31 March 2018	50,000	500	(189)	(189)
Loss for the year	-	-	(32)	(32)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>(32)</b>	<b>(32)</b>
Balance as at 31 March 2019	50,000	500	(221)	(221)

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 S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants



per Nilangshu Katriar

Partner

Membership Number: 058814



Gurugram, India

Date: 19 JUNE, 2019

For and on behalf of the Board of Directors  
of HCL Foundation



Sanjay Mendiratta

Director



Amit Roy

Director

Noida (UP), India

Date: 19 June 2019

HCL Foundation  
Statement of cash flows

(All amounts in thousands of ₹)

Year ended  
31 March 2019

Year ended  
31 March 2018

A. Cash flows from operating activities

Loss before tax (32) (48)

Movement in Working Capital

(Increase)/decrease in other financial assets and other assets - 8

Increase/ (decrease) in provisions, other financial liabilities and other liabilities - 22

Net cash flow used in operating activities (A) (32) (18)

B. Cash flows from investing activities

Net cash flow from investing activities (B) - -

C. Cash flows from financing activities

Net cash flow from financing activities (C) - -

Net increase / (decrease) in cash and cash equivalents (A+B+C) (32) (18)

Cash and cash equivalents at the beginning of the year 361 379

Cash and cash equivalents at the end of the year (Refer note 2.1) 329 361

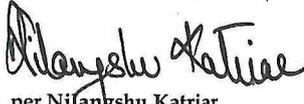
Summary of significant accounting policies ( Note 1)

As per our report of even date.

FOR S. R. BATLIBOI & CO. LLP

ICAI Firm Registration Number : 301003E/E300005

Chartered Accountants

  
per Nilangshu Katriar  
Partner  
Membership Number: 058814



For and on behalf of the Board of Directors

For HCL Foundation

  
Sanjay Mendiratta  
Director

  
Amit Roy  
Director

Gurugram, India

Date: 19 JUNE, 2019

Noida (UP), India

Date: 19 June 2019

## HCL Foundation

Notes to financial statements for the year ended 31 March 2019

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

### Overview

HCL Foundation, a Company limited by shares not for profit under section 8 of the Companies Act, 2013 having its registered office at, 806, Siddharth, 96 Nehru Place, New Delhi, was formed on 30 December 2014. The main purpose of Company is:

- To undertake activities for eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water.
- To promote education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- To undertake activities for promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- To undertake rural development projects, development of semi urban and urban slums and the development activities shall include activities on healthcare, education, infrastructure building, sanitation, safe drinking water, etc.
- To undertake such other corporate social responsibility activities for facilitating the social and economic upliftment of the common man, protection of environment and natural resources and overall social and economic development of the economy and such activities may include for ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water; protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts; measures for the benefit of armed forces veterans, war widows and their dependents; training to promote rural sports, nationally recognized sports, paralympics' sports and olympic sports.

The financial statements for the year ended 31 March 2019 were approved and authorized for issue by the Board of Directors on 19 June 2019 .

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (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 this year, basis review of management of the Company believes that there is a significant doubt on the entity's ability to continue as a going concern. The management of Company does not intend to continue with its operations and will close the business. Accordingly, these financial statements have been prepared under liquidation basis. Where appropriate, adjustments have been made to reduce the carrying value of assets to their estimated realizable value, to provide for any further liabilities which will arise.

Preparation of financial statements under liquidation basis involves the company making estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances and are continually re-evaluated.

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.



## HCL Foundation

Notes to financial statements for the year ended 31 March 2019

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

### 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

Cash 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. The Company's financial liabilities includes 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.



## HCL Foundation

Notes to financial statements for the year ended 31 March 2019

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

### d) Income taxes

The Company is a non-profitable company registered under section 12A of the Income Tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Company is exempted from tax, subject to the compliance of specific terms and conditions specified in the Act.

### 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.

## 2. Notes to financial statements

### 2.1 Cash and bank balances

	As at	
	31 March 2019	31 March 2018
<b>Cash and cash equivalent</b>		
Balance with banks		
- In current accounts	329	361
	<b>329</b>	<b>361</b>

### 2.2 Equity share capital

	As at	
	31 March 2019	31 March 2018
<b>Authorized</b>		
50,000 (31 March 2018, 50,000) equity shares of ₹10 each	500	500
<b>Issued, subscribed and fully paid up</b>		
50,000 (31 March 2018, 50,000) equity shares of ₹10 each	500	500

### 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 holder 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 Foundation

Notes to financial statements for the year ended 31 March 2019

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

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

	As at			
	31 March 2019		31 March 2018	
	No. of shares	₹ in Thousands	No. of shares	₹ in Thousands
Number of shares at the beginning	50,000	500	50,000	500
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	50,000	500	50,000	500

Equity shares held by holding/ultimate holding company and/or their subsidiaries/associates

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

	As at			
	31 March 2019		31 March 2018	
	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 2019		31 March 2018	
	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%

As per the records of the company, including its register of shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during the year (31 March 2018, Nil).

### 2.3 Financial liabilities

	As at	
	31 March 2019	31 March 2018
Carried at amortized cost		
Liabilities for expenses	50	50
	50	50

### 2.4 Other expenses

	Year ended	
	31 March 2019	31 March 2018
Legal and professional charges	32	48
	32	48



**HCL Foundation**

Notes to financial statements for the year ended 31 March 2019

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

**2.5 Earnings Per Share**

The computation of earnings per share is as follows: -

	Year ended	
	31 March 2019	31 March 2018
Net loss as per statement of profit and loss for computation of EPS	(32)	(48)
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	(0.64)	(0.96)
- Diluted	(0.64)	(0.96)

**2.6 Financial instruments****a) Financial assets and liabilities**

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

	Amortized cost	Total carrying value
<b>Financial assets</b>		
Cash and cash equivalents	329	329
<b>Total</b>	<b>329</b>	<b>329</b>
<b>Financial liabilities</b>		
Liabilities for expenses	50	50
<b>Total</b>	<b>50</b>	<b>50</b>

The carrying value of financial instruments by categories as at 31 March 2018 is as follows:

	Amortized cost	Total carrying value
<b>Financial assets</b>		
Cash and cash equivalents	361	361
<b>Total</b>	<b>361</b>	<b>361</b>
<b>Financial liabilities</b>		
Liabilities for expenses	50	50
<b>Total</b>	<b>50</b>	<b>50</b>

**2.7 Payment to auditors**

	Year ended	
	31 March 2019	31 March 2018
Audit fees	25	25
	25	25



**HCL Foundation**

**Notes to financial statements for the year ended 31 March 2019**

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

**2.8 Micro and small enterprises**

As per information available with the management, the dues payable as at time during the year ended 31 March 2019 to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil (31 March 2018, ₹Nil)

**3. Previous Year Comparatives**

The Company has changed its presentation from ₹ in absolute to ₹ in thousands and accordingly amounts less than ₹0.50 thousand are rounded off to Nil.

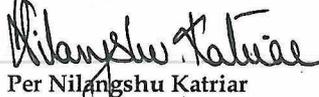
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As per our report of even date

**For S. R. Batliboi & Co. LLP**

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants



Per Nilangshu Katriar

Partner

Membership Number: 058814

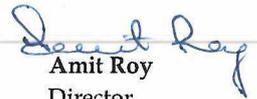


**For HCL Foundation**



Sanjay Mendiratta

Director



Amit Roy

Director

Gurugram, India

Date: 19 JUNE, 2019

Noida(UP), India

Date: 19 June 2019