HCL Learning Limited
Balance Sheet as at March 31, 2020

		Notes		As at 31.03.2020 ₹/Lacs		As at 31.03.2019 ₹/Lacs
I.	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	3(a)	-		12.18	
	Intangible assets	3(b)	-		-	
	Financial assets					
	(i) Investments	4	-		27,626.00	
	(ii) Other financial assets	5	15.86		13.70	
	Deferred tax assets (net)	6	-		29.21	
	Advance income tax (net)	7	362.85		262.92	
	Other non-current assets	8	47.53	426.24	40.32	27,984.33
(2)	**Current assets**					
	Inventories	9	-		0.11	
	Financial assets					
	(i) Trade receivables	10	-		-	
	(ii) Cash and cash equivalents	11	33.89		136.78	
	(iii) Other bank balances other than (ii) above	12	5.84		-	
	(iii) Other financial assets	13	57.60		61.71	
	Other current assets	14	74.18	171.51	40.01	238.61
	Total Assets			597.75		28,222.94
II.	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	15	7.53		7.53	
	Other equity	16	(4,628.68)	(4,621.15)	(5,740.58)	(5,733.05)
(2)	**Liabilities**					
	Non-current liabilities					
	Provisions	17	-	-	2.04	2.04
	Current liabilities					
	Financial liabilities					
	(i) Borrowings	18	4,770.15		32,442.05	
	(ii) Trade payables	19				
	(a) Total outstanding dues of micro enterprises and small enterprises		0.11		0.16	
	(b) Total outstanding dues other than micro enterprises and small enterprises		319.13		295.12	
	(iii) Other financial liabilities	20	77.28		987.42	
	Other current liabilities	21	31.89		210.28	
	Provisions	22	20.34	5,218.90	18.92	33,953.95
	Total Equity and Liabilities			597.75		28,222.94
	Significant Accounting Policies	2				

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration Number-116231W/W-100024

SANDEEP BATRA Digitally signed by SANDEEP BATRA Date: 2020.06.12 22:08:30 +05'30'

Sandeep Batra
Partner
Membership Number - 093320

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

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Dilip Kumar Srivastava
Director
DIN - 06847137

NEELESH AGARWAL Digitally signed by NEELESH AGARWAL Date: 2020.06.12 21:05:33 +05'30'

Neelesh Agarwal
Director
DIN - 00149856

Komal Bathla Digitally signed by Komal Bathla Date: 2020.06.12 21:24:01 +05'30'

Komal Bathla
Company Secretary

New Delhi, June 12, 2020

Noida, June 12, 2020

HCL Learning Limited
Statement of profit and loss for the year ended March 31, 2020

	Notes		Year ended 31.03.2020 ₹/Lacs		Year ended 31.03.2019 ₹/Lacs
Income :					
Revenue from operations	23		536.75		1,044.84
Other income	24		390.28		483.28
Total Income			927.03		1,528.12
Expenses :					
Purchases of stock-in-trade			0.30		1.29
Changes in inventories of finished goods, stock-in -trade	25		0.11		(0.11)
Other direct expense	26		21.09		106.22
Employee benefits expense	27		59.71		97.28
Finance costs	28		1,362.50		2,381.57
Depreciation and amortization expense	3(a) & 3(b)		1.63		9.72
Other expenses	29		173.64		251.37
Total Expenses			1,618.98		2,847.34
Loss before exceptional items and tax			(691.95)		(1,319.22)
Exceptional items	42		1,832.26		-
Profit/(loss) before tax			1,140.31		(1,319.22)
Income tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		29.21	29.21	-	-
Profit/(loss) for the year			1,111.10		(1,319.22)
Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
- Gain/(loss) on remeasurement of defined benefit plan		0.80	0.80	(2.10)	(2.10)
Total comprehensive income/(loss) for the year			1,111.90		(1,321.32)
Earning per equity share:	38				
(1) Basic			1,476.07		(1,752.56)
(2) Diluted			1,476.07		(1,752.56)
Significant Accounting Policies	2				

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration Number-116231W/W-100024

SANDEEP BATRA Digitally signed by SANDEEP BATRA Date: 2020.06.12 22:10:14 +05'30'

Sandeep Batra
Partner
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For and on behalf of the Board of Directors
HCL Learning Limited

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Neelesh Agarwal
Director
DIN - 00149856

Komal Bathla Digitally signed by Komal Bathla Date: 2020.06.12 21:21:48 +05'30'

Komal Bathla
Company Secretary

New Delhi, June 12, 2020

Noida, June 12, 2020

HCL Learning Limited
Cash Flow Statement for the year ended March 31, 2020

			Year ended 31.03.2020 ₹/Lacs		Year ended 31.03.2019 ₹/Lacs
1. **Cash Flow from Operating Activities:**					
Profit/(loss) before tax			**1,140.31**		(1,319.22)
Adjustments for:					
Depreciation and amortisation expense		**1.63**		9.72	
Finance cost		**1,362.50**		2,381.57	
Net loss on sale of property, plant and equipment		-		0.04	
Property, plant and equipment written-off		**10.55**		-	
Loss on foreign exchange fluctuation		**0.51**		8.69	
Provision for doubtful loans & advances and other current assets		**1.15**		0.56	
Provisions/liabilities no longer required written back		**(364.74)**		(393.43)	
Gain on disposal of subsidiary		**(1,832.26)**	**(820.66)**	-	2,007.15
Operating profit before working capital changes			**319.65**		687.93
Adjustments for changes in working capital:					
- Decrease in trade receivables		-		144.29	
- (Increase)/decrease in current loans and advances		**(31.20)**		545.27	
- (Increase)/decrease in non-current loans and advances		**(7.21)**		147.80	
- Decrease/(increase) in inventories		**0.11**		(0.11)	
- Increase in current liabilities		**211.71**		10.09	
- Decrease in non-current liabilities		**(2.04)**	**171.37**	(2.94)	844.40
Cash generated from operations			**491.02**		1,532.33
- Taxes (paid) / received (net)			**(99.93)**		55.00
Net cash generated from operating activities	**(A)**		**391.09**		1,587.33
2. **Cash flow from investing activities:**					
Proceeds from sale of fixed assets		-		0.14	
Sale of investment in subsidiaries		**29,458.26**		-	
Investment in bank margin money		**(8.00)**	**29,450.26**	-	0.14
Net cash generated from investing activities	**(B)**		**29,450.26**		0.14
3. **Cash Flow from Financing Activities:**					
Proceeds from loans and borrowings		**2,268.99**		2,177.00	
Repayment of loans and borrowings		**(31,151.75)**		(2,029.73)	
Interest paid		**(1,061.48)**	**(29,944.24)**	(1,715.02)	(1,567.75)
Net cash used in financing activities	**(C)**		**(29,944.24)**		(1,567.75)
Net (decrease)\increase in cash and cash equivalents	**(A+B+C)**		**(102.89)**		19.72
Opening balance of cash and cash equivalents			**136.78**		117.06
Closing balance of cash and cash equivalents			**33.89**		136.78
Cash and cash equivalents comprise of			**33.89**		136.78
Cash, cheques and drafts (on hand)			**2.45**		2.14
Balances with banks on current accounts			**31.44**		134.64

The above cash flow from operating activities has been prepared under the “Indirect Method” as set out in Indian Accounting Standard (Ind AS) 7- Statement of cash flows.

Notes:
Figures in brackets indicate cash outflow

This is the cash flow statement as per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration Number-116231W/W-100024

SANDEEP BATRA
Digitally signed by SANDEEP BATRA
Date: 2020.06.12 22:11:58 +05'30'

Sandeep Batra
Partner
Membership Number - 093320

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

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Dilip Kumar Srivastava
Director
DIN - 06847137

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Neelesh Agarwal
Director
DIN - 00149856

Komal Bathla
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Date: 2020.06.12 21:22:26 +05'30'

Komal Bathla
Company Secretary

New Delhi, June 12, 2020

Noida, June 12, 2020

HCL Learning Limited
Statement of changes in equity for the year ended March 31, 2020

a. Equity Share Capital **₹/Lacs**

	Number of Equity Shares	Equity Share Capital
Balance as at 01.04.2018	75,274	7.53
Balance as at 31.03.2019	75,274	7.53
Balance as at 01.04.2019	**75,274**	**7.53**
Balance as at 31.03.2020	**75,274**	**7.53**

b. Other Equity

₹/Lacs

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at 01.04.2018	5,997.52	(10,416.78)	(4,419.26)
Loss for the year	-	(1,319.22)	(1,319.22)
Other comprehensive income for the year	-	(2.10)	(2.10)
Balance as at 31.03.2019	**5,997.52**	**(11,738.10)**	**(5,740.58)**
Balance as at 01.04.2019	5,997.52	(11,738.10)	(5,740.58)
Profit for the year	-	1,111.10	1,111.10
Other comprehensive income for the year	-	0.80	0.80
Balance as at 31.03.2020	**5,997.52**	**(10,626.20)**	**(4,628.68)**

This is the Statement of Changes in Equity as per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm Registration Number-116231W/W-100024

SANDEEP BATRA
Digitally signed by SANDEEP BATRA
Date: 2020.06.12 22:13:54 +05'30'

Sandeep Batra
Partner
Membership Number - 093320

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

DILIP KUMAR SRIVASTAVA
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Date: 2020.06.12 21:45:36 +05'30'

Dilip Kumar Srivastava
Director
DIN - 06847137

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Date: 2020.06.12 21:07:00 +05'30'

Neelesh Agarwal
Director
DIN - 00149856

Komal Bathla
Digitally signed by Komal Bathla
Date: 2020.06.12 21:22:50 +05'30'

Komal Bathla
Company Secretary

New Delhi, June 12, 2020

Noida, June 12, 2020

1. Corporate information

HCL Learning Limited ('the Company') is domiciled and incorporated in India. The registered office of the company is situated at 806, Siddharth, 96, Nehru Place, New Delhi - 110019.

The Company is primarily engaged in selling of digitised educational content & learning solutions.

The financial statements were approved by the Board of Directors and authorised for issue on 12.06.2020.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(i) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The statement of cash flows have been prepared under indirect method.

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

(ii) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the certain financials assets and liabilities which have been measured at fair value as explained in the accounting policies below.

2.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2.3 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, liabilities, income and expenses disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.4 Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates,assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

a) Property, plant and equipment

Management engages external adviser or internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Intangibles

Internal technical or user team assess the remaining useful lives of intangible assets. Management believes that assigned useful lives are reasonable.

c) Income taxes

Management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews, at each balance sheet date, the carrying amount of deferred tax assets and amount of unrecognised deferred tax assets, in view of availability of future taxable income to realise such recognised and unrecognised assets. The Company has significant business losses which are available to be set-off against the future taxable income, at each reporting date, the management evaluates whether it is reasonably certain to recognise deferred tax assets on such business losses, considering the future outlook of business. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

e) Allowance for uncollected accounts receivable and advances

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

f) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / a service promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. In case of multiple performance obligations the Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

2.5 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.
Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment is provided on straight-line basis over the useful lives of assets as determined on the basis of technical estimates which are similar to the useful lives as prescribed under Schedule II to the Companies Act, 2013.

Assets residual values, depreciation method and useful lives are reviewed at each financial year end considering the physical condition of the assets or whenever there are indicators for review and adjusted residual life prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in statement of profit and loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

Softwares

Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license.

Intangible Assets (other than goodwill) are amortised at straight line basis as follows:

Intellectual Property Rights	7	years
Software	1-5	years

2.8 Leases

The Company has applied IND AS 116 *Leases* for the first time for the annual period beginning on 1 April 2019.

Other than IND AS 116, the application of the new amendments to standards and interpretations effective on 1 April 2019 does not have a material effect on the financial statements.

IND AS 116 *Leases*

The Company applied IND AS 116 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IND AS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IND AS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Appendices C of IND AS 17 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in IND AS 116.

On transition to IND AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IND AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IND AS 17 and Appendices C of IND AS 17 were not reassessed for whether there is a lease under IND AS 116. Therefore, the definition of a lease under IND AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Company leases many assets including properties and office equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IND AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component

As a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Assets given under finance lease are recognised as receivables at an amount equal to the net investment in the lease. Inventories given on finance lease are recognised as deemed sale at fair value. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

Sale and leaseback

Sale and lease back transaction is recognised if transfer of asset satisfies the requirements of IND AS 115 to be accounted for as a sale of the asset. The company shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the company. Accordingly, the company shall recognize only the amount of any gain or loss that relates to the rights transferred to the buyer.

2.9 Financial instruments

A. Financial instruments – initial recognition and measurement

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

B. Financial assets

1. Subsequent measurement

   The subsequent measurement of financial assets depends on their classification as follows:

Debt instrument

a. Financial assets at fair value through profit or loss

   Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in other income in the statement of profit and loss.

b. Financial assets measured at amortised cost

   Loans and receivables are non-derivative financial assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income.

c. Fair value through other comprehensive income (FVOCI):

   Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

1. Subsequent measurement

   The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payments is established.

2. Derecognition

   The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Investment in subsidiary

Investment in subsidiary is carried at cost in financial statement.

C. Financial liabilities

1. Subsequent measurement

   The subsequent measurement of financial liabilities depends on their classification as follows:

   Financial liabilities measured at amortised cost

   After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate method. The effective interest rate method’s amortisation is included in finance costs in the statement of profit and loss.

2. Derecognition

   A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

D. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

E. Derivative financial instruments - current versus non-current classification

Derivative instruments will be held for a period beyond twelve months after the reporting date, are classified as noncurrent (or separated into current and non-current portions) consistent with the classification of the underlying item. These are classified as current, when the remaining holding period is up to twelve months after the reporting date.

F. Fair value measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.10 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore in case of a history of recent losses, the Company recognised a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets-unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the assets is realised or the liability is settled based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or no different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.11 Inventories

Stock-in-trade is stated at the lower of cost and net realisable value.

Cost of stock-in-trade comprises cost of purchases. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of weighted average. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Goods in-transit is valued inclusive of custom duty, where applicable.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Impairment of assets

a. Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Non-financial assets

(i) Intangible assets, property, plant and equipment and goodwill

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment annually. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment test for goodwill is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. An impairment loss in respect of goodwill is not reversed.

c. Investment in subsidiary

Investment in subsidiary is reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test is performed at entity level. An impairment loss is recognised whenever the carrying amount of Investment exceeds its recoverable amount.

The recoverable amount is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants less the costs of disposal. Impairment losses, if any are recognised in the statement of profit and loss.

Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.15 Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingencies

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 or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are disclosed where an inflow of economic benefits is probable.

2.16 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of are measured using the currency of the primary economic environment in which the Company operates (`the functional currency'). The Company's operations are primarily in India. The financial statements are presented in Indian rupee (INR), which is the

Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.
Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.17 Revenue recognition

The Company derives revenues primarily from training services and educational content and related hardware offerings for private schools, colleges and other educational institutes and vocational training

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from services

Timing of recognition

Service income includes income from training services and educational content and related hardware offerings for private schools, colleges and other educational institutes and vocational training. Revenues relating to time and materials contracts are recognized as the related services are rendered. Revenue in case of fixed price contracts is recognised on percentage of completion basis. Revenue from a period based service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Measurement of revenue

Revenue is based on the price specified in the sales contract, net of the estimated volume discounts. For separately identified component from multiple element arrangement, pertaining to the sale of services, the revenues are measured based on fair value allocated to such component within the overall arrangement.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management.

Sale of products

Timing of recognition

Revenue from the sale of products is recognised at the point in time when control is transferred to the customer.

Measurement of revenue

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Interest income

Interest income from loans and receivables is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

2.18 Employee benefits

Defined benefit plans

Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

Provident fund

In respect of certain employees, provident fund contributions are made to a multi-employer Trust administered by the holding Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the holding Company is additionally provided for. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

Defined contribution plans

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

Company's contribution towards Superannuation Fund is accounted for on accrual basis.

The Company makes defined contributions to a Superannuation Trust established for the purpose. The Company has no further obligation beyond the monthly contributions.

Other benefits

Compensated absences

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

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

Long term employee benefits

Employee benefits, which are expected to be availed or encased beyond 12 months from the end of the year, are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is computed by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Exceptional items

Items which are material either because of their size or their nature, and which are non-recurring, are highlighted through separate disclosure. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance.

3(a) Property, Plant and Equipment

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	**Additions**	**Disposal**	**As at 31.03.2020**	**As at 01.04.2019**	**Additions**	**Disposal**	**As at 31.03.2020**	**As at 31.03.2020**
Plant and machinery	2.23	-	0.77	**1.46**	2.23		0.77	**1.46**	-
Furniture and fixtures	31.48	-	31.44	**0.04**	20.27	1.60	21.83	**0.04**	-
Office equipments	14.65	-	14.64	**0.01**	13.72	-	13.71	**0.01**	-
Computers	22.31	-	7.06	**15.25**	22.27	0.03	7.05	**15.25**	-
Total	**70.67**	**-**	**53.91**	**16.76**	**58.49**	**1.63**	**43.36**	**16.76**	**-**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2018	**Additions**	**Disposal**	**As at 31.03.2019**	**As at 01.04.2018**	**Additions**	**Disposal**	**As at 31.03.2019**	**As at 31.03.2019**
Plant and machinery	2.23	-		**2.23**	2.23			**2.23**	-
Furniture and fixtures	31.48	-		**31.48**	15.30	4.97		**20.27**	**11.21**
Office equipments	14.65	-		**14.65**	13.65	0.07		**13.72**	**0.93**
Computers	23.15	-	0.84	**22.31**	18.37	4.56	0.66	**22.27**	**0.04**
Total	**71.51**	**-**	**0.84**	**70.67**	**49.55**	**9.60**	**0.66**	**58.49**	**12.18**

3(b) Intangible Assets

₹/Lacs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 01.04.2019	Additions	Disposal	As at 31.03.2020	As at 31.03.2020
Software	1.73	-	1.73	-	1.73	-	1.73	-	-
Total	**1.73**	**-**	**1.73**	**-**	**1.73**	**-**	**1.73**	**-**	**-**

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2018	Additions	Disposal	As at 31.03.2019	As at 01.04.2018	Additions	Disposal	As at 31.03.2019	As at 31.03.2019
Software	1.73	-	-	**1.73**	1.62	0.11	-	**1.73**	-
Total	**1.73**	**-**	**-**	**1.73**	**1.62**	**0.11**	**-**	**1.73**	**-**

HCL Learning Limited

Notes to the financial statements

		Units	As at 31.03.2020 ₹/Lacs	Units	As at 31.03.2019 ₹/Lacs
4	**Non-current investments**				
	Unquoted				
	Investments in equity instruments of subsidiary (at cost)				
	HCL Insys Pte. Limited, Singapore (refer note 42)		-	6,199,991 in SGD* and 11,347,619 in USD*	27,626.00
	Total Non-current Investments		-		27,626.00
	* SGD = Singapore dollar; USD = United States dollar.				
5	**Other non-current financial assets**				
	Considered Good				
	Security Deposits		**13.70**		13.70
	Balance with bank- margin money		**2.16**		-
	TOTAL		**15.86**		13.70
6	**Deferred tax assets (net)**				
	Deferred tax assets (refer note 36)		-		29.21
			-		29.21
7	**Advance income tax asset (net)**				
	Advance income tax [Provision for income tax of ₹ 31.59 Lacs (2019 - ₹ 31.59 Lacs)]		**362.85**		262.92
	TOTAL		**362.85**		262.92
8	**Other Non-Current Assets**				
	Unsecured, considered good				
	Deposits with tax authorities		**47.53**		40.32
	Considered Doubtful				
	Capital Advances	**0.50**		0.50	
	Less: Provision for Doubtful Loans and Advances	**0.50**		0.50	-
	TOTAL		**47.53**		40.32
9	**Inventories**				
	Stock-in-trade		-		0.11
	TOTAL		-		0.11
10	**Trade receivables (refer note 31, 33)**				
	Unsecured:				
	- Considered good	-		-	
	- Considered doubtful	**651.31**		891.90	
		651.31		891.90	
	Less: Allowances for doubtful debts	**651.31**	-	891.90	-
	TOTAL		-		-

HCL Learning Limited

Notes to the financial statements

			As at 31.03.2020 ₹/Lacs		As at 31.03.2019 ₹/Lacs
11	**Cash and cash equivalents**				
	Balances with banks				
	- In current account		**31.44**		134.64
	Cheques on hand		**2.45**		2.14
	TOTAL		**33.89**		136.78
12	**Other bank balances**				
	Balances with Banks				
	- On Margin Account		**5.84**		-
	TOTAL		**5.84**		-
13	**Other financial asset**				
	Considered Good				
	Security deposits		**9.90**		14.18
	Others (includes employee advances, insurance claim recoverable, expense recoverable)		**2.24**		2.07
	Other receivable from related parties (Refer note 31)		**45.46**		45.46
	Considered Doubtful				
	Lease rental recoverable (refer note 37)	**280.32**		544.82	
	Less: Allowance for doubtful lease rental recoverable	**280.32**	**-**	544.82	-
	TOTAL		**57.60**		61.71
14	**Other current assets**				
	Unsecured				
	Considered good				
	Balances with customs, port trust, excise and sales tax authorities		**60.90**		25.45
	Advances to creditors		**12.74**		12.68
	Prepaid expenses		**0.54**		1.13
	Others (expenses recoverable)		**-**		0.75
	TOTAL		**74.18**		40.01

		As at 31.03.2020 ₹/Lacs	As at 31.03.2019 ₹/Lacs
15	**Share capital**		
	Authorised		
	1,00,000 Equity Shares (2019 - 1,00,000) of ₹ 10/- each	**10.00**	10.00
	TOTAL	**10.00**	10.00
	Issued, Subscribed and Paid up		
	75,274 Equity Shares (2019 - 75,274) of ₹ 10/- each (Fully Paid up)	**7.53**	7.53
	TOTAL	**7.53**	7.53

Notes:

(i) Rights 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 held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in ensuing General Meeting, except in case of interim dividend.

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

(ii)

Shareholders holding more than 5% of the aggregate shares in the Company	**Number of Shares**	**% of shares**	Number of Shares	% of shares
HCL Infosystems Limited, the holding company	**75,268**	**99.99**	**75,268**	99.99

16	**Other Equity**		
A.	**Reserve and surplus**		
	(a) Securities premium reserve		
	Opening balance	**5,997.52**	5,997.52
	Closing balance	**5,997.52**	5,997.52
	(b) Retained earnings		
	Opening balance	**(11,738.10)**	(10,416.78)
	Net profit/(loss) for the year	**1,111.10**	(1,319.22)
	Other Comprehensive Income for the year	**0.80**	(2.10)
	Closing balance	**(10,626.20)**	(11,738.10)
	TOTAL	**(4,628.68)**	(5,740.58)

		As at 31.03.2020 ₹/Lacs	As at 31.03.2019 ₹/Lacs
17	**Non-current provisions**		
	Provision for gratuity and other employee benefits	-	2.04
	TOTAL	-	2.04
18	**Current borrowings**		
	Unsecured:		
	Loans repayable on demand		
	- From related party (refer note 31)	4,770.15	32,442.05
	TOTAL	4,770.15	32,442.05

Note:
Unsecured Loans from HCL Infosystems Limited, the Holding Company, amounting to ₹ 4,770.15 Lacs (2019 - ₹ 32,442.05 Lacs) is repayable on demand and carries an interest @ 6.37% to 5.28% per annum.

		As at 31.03.2020 ₹/Lacs	As at 31.03.2019 ₹/Lacs
19	**Trade payables (refer note 31)**		
	Trade Payables		
	(a) Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.11	0.16
	(b) Total outstanding dues other than micro enterprises and small enterprises	319.13	295.12
	TOTAL	319.24	295.28
20	**Other financial liabilities**		
	Current maturities of long-term debts*	-	862.12
	Current maturities of finance lease obligations	-	36.79
	Interest accrued but not due on borrowings	-	10.92
	Deposits	62.51	62.51
	Employee benefits payable	14.45	14.76
	Capital creditors	0.32	0.32
	TOTAL	77.28	987.42

Notes*

1. Secured term loan from Bank and Others amounting to Nil (2019 - ₹ 862.12 Lacs), out of which NIL (2019 - ₹ 862.12 Lacs) is shown under current maturity of long term borrowing, was secured by way of (1) First pari passu charge on identified immovable assets and all movable and intangible assets of the Company,HCL Infosystems Limited (the Holding Company) and it's identified material subsidiaries* (2) First pari-passu charge on all current assets of the Company,HCL Infosystems Limited (the Holding Company) and it's identified material subsidiaries (except Lease Rental Receivables). (3) Negative lien on two identified properties (4) Exclusive charge on Debt Service Reserve Account created by way of lien on Fixed Deposit of HCL Infosystems Limited (the Holding Company) of ₹ 2,484 Lacs . The loan was repayable in 13 quarterly instalments starting from September 2016 and carries interest @ 10.55 % p.a.

		As at 31.03.2020 ₹/Lacs	As at 31.03.2019 ₹/Lacs
21	**Other current liabilities**		
	Deferred revenue	6.03	75.35
	Advances received from customers	20.01	71.42
	Statutory dues payable	5.85	63.51
	TOTAL	31.89	210.28
22	**Current provisions**		
	Provision for gratuity and other employee benefits	2.99	1.63
	Provision for Litigation {refer note 30 (b)}	17.35	17.29
	TOTAL	20.34	18.92

HCL Learning Limited

Notes to the financial statements

		Year ended 31.03.2020 ₹/Lacs	Year ended 31.03.2019 ₹/Lacs
23	**Revenue from operations**		
	Sale of Products	**508.91**	863.33
	Sale of Services	**27.84**	181.51
	TOTAL	**536.75**	1,044.84
24	**Other income**		
	Interest income from financial asset at amortised cost		
	- On lease rental	**7.10**	79.66
	- On Fixed Deposits	**0.33**	-
	Provisions/liabilities no longer required written back	**364.74**	393.43
	Miscellaneous income	**18.11**	10.19
	TOTAL	**390.28**	483.28
25	**Changes in inventories of finished goods and stock-in-trade**		
	Closing balance		
	- Stock-in-trade	**-**	0.11
		-	0.11
	Opening balance		
	- Stock-in-trade	**0.11**	-
	Changes in inventories of stock-in-trade	**0.11**	(0.11)
26	**Other direct expense**		
	Purchase of services	**21.09**	106.22
	TOTAL	**21.09**	106.22
27	**Employee benefits expense**		
	Salaries, wages, bonus and gratuity (refer note 40)	**58.12**	93.74
	Contribution to provident and other funds	**1.54**	3.38
	Staff welfare expenses	**0.05**	0.16
	TOTAL	**59.71**	97.28
28	**Finance costs**		
	Interest expense on financial liabilities at amortized cost	**1,362.50**	2,381.57
	TOTAL	**1,362.50**	2,381.57

		Year ended 31.03.2020 ₹/Lacs	Year ended 31.03.2019 ₹/Lacs
29	**Other expenses**		
	Rent (refer note 37)	**1.53**	1.44
	Rates and taxes	**18.71**	25.97
	Printing and stationery	**0.07**	0.25
	Communication	**0.41**	0.56
	Travelling and conveyance	**2.15**	6.08
	Packing, freight and forwarding	**0.01**	0.05
	Legal, professional and consultancy charges (refer note 35)	**81.82**	109.92
	Retainership expenses	**27.70**	59.58
	Insurance	**0.39**	1.95
	Hire charges	**0.02**	-
	Bank charges	**0.66**	1.35
	Allowance for doubtful loans & advances and other current assets	**1.15**	0.56
	Loss on sale of property, plant and equipment	**-**	0.04
	Property, plant and equipment written-off	**10.55**	-
	- Others	**-**	0.08
	Net loss/(gain) on foreign exchange fluctuation (other than considered as finance cost)	**0.51**	8.69
	Miscellaneous	**0.16**	2.19
		145.84	218.71
	Common cost allocated from holding company and fellow subsidiary	**27.80**	32.66
	TOTAL	**173.64**	251.37

30 a) Contingent Liabilities :

Claims against the Company not acknowledged as debts:

	As at 31.03.2020	As at 31.03.2019
		₹/Lacs
Sales Tax*	**7.65**	-
Excise, Service Tax and Customs	**0.96**	1.39
Industrial Disputes, Civil Suits and Consumer Disputes	**116.51**	126.73

* Includes sum of ₹ 10.10 Lacs (31.03.2019 - ₹ 0.03 lacs) deposited by the Company against the above.

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

b) Other Litigations :
The Company has certain sales tax and other related litigation amounting to ₹ 17.35 lacs (2019 - ₹ 17.29 lacs) against which provision have been made. Provision amounting to ₹ 0.06 lacs was provided during the year.

31 Disclosure of related parties and related party transactions:

a) Company having substantial interest:

HCL Corporation Private Limited

b) Holding Company

HCL Infosystems Limited

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

Subsidiary:
HCL Insys Pte. Limited, Singapore, ceased to be Subsidiary with effect from November 15, 2019

Fellow Subsidiaries:

HCL Infotech Limited
Karvy innotech Limited (formaly know as HCL Services Limited*)
* Karvy innotech Limited (formaly know as HCL Services Limited)ceased to be fellow subsidiary with effect from June 15, 2018

Key Management Personnel:

Ms. Komal Bathla (Company Secretary)*

* Renumeration has been paid by HCL Infosystems Limited

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

(₹/Lacs)

A. Transactions	Holding Company		Subsidiary		Fellow Subsidiaries		Others		Total	
	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19
Purchase of Services	-	-			-	11.57	-	-	-	11.57
- Karvy innotech Limited (formaly know as HCL Services Limited)	-	-			-	11.57	-	-		
Loans and Advances Refunded/Adjusted (Net)	**27,671.91**	-			-	-	-	-	**27,671.91**	-
- HCL Infosystems Limited	27,671.91	-			-	-	-	-		
Borrowings (net)	-	2,458.57			-	-	-	-	-	2,458.57
- HCL Infosystems Limited	-	2,458.57			-	-	-	-	-	-
Interest on Inter Company Deposits (ICD) Taken	**1,319.17**	2,140.63							**1,319.17**	2,140.63
- HCL Infosystems Limited	1,319.17	2,140.63								
Reimbursements towards expenditure										
a) Paid	**44.35**	53.62			-	-	-	-	**44.35**	53.62
- HCL Infosystems Limited	44.35	53.62			-	-	-	-		
B. Amount due to / from related parties^										
Trade Receivables	**6.36**	6.36	-	-	**0.06**	0.06	**2.56**	2.85	**8.98**	9.27
Other Recoverables	**45.46**	45.46	-	-	-	-	-	-	**45.46**	45.46
Borrowings	**4,770.15**	32,442.05	-	-	-	-	-	-	**4,770.15**	32,442.05
Trade Payables	**24.05**	12.74	-	-	-	-	-	-	**24.05**	12.74

^Amount due to / from related parties are unsecured and are repayable/to be received in cash.

Financial Instruments and Risk Management
32 Fair Value Measurements

The carrying value of financial instruments by categories is as under :

							₹/Lacs
Particulars	**Notes**	**At cost**	**Fair Value through OCI**	**Fair value through Profit or Loss**	**Amortised Cost**	**Total Carrying Value**	**Total Fair Value**
Financial Assets							
Non-current assets							
(i) Investments	4	-	-	-	-	-	-
		(27,626.00)	-	-	-	(27,626.00)	(27,626.00)
(ii) Other financial assets	5	-	-	-	**15.86**	**15.86**	**15.86**
		-	-	-	(13.70)	(13.70)	(13.70)
		-	-	-	**15.86**	**15.86**	**15.86**
		(27,626.00)	-	-	(13.70)	(27,639.70)	(27,639.70)
Current assets							
(i) Trade receivables	10	-	-	-	-	-	-
		-	-	-	-	-	-
(ii) Cash and cash equivalents	11	-	-	-	**33.89**	**33.89**	**33.89**
		-	-	-	(136.78)	(136.78)	(136.78)
(iv) Bank balances other than (iii) above	12	-	-	-	**5.84**	**5.84**	**5.84**
		-	-	-	-	-	-
(iii) Other financial assets	13	-	-	-	**57.60**	**57.60**	**57.60**
		-	-	-	(61.71)	(61.71)	(61.71)
		-	-	-	**97.33**	**97.33**	**97.33**
		-	-	-	(198.49)	(198.49)	(198.49)
Financial Liabilities							
Current liabilities							
(i) Short Term Borrowings	18	-	-	-	**4,770.15**	**4,770.15**	**4,770.15**
		-	-	-	(32,442.05)	(32,442.05)	(32,442.05)
(ii) Trade payables	19	-	-	-	**319.24**	**319.24**	**319.24**
		-	-	-	(295.28)	(295.28)	(295.28)
(iii) Other financial liabilities	20	-	-	-	**77.28**	**77.28**	**77.28**
		-	-	-	(987.42)	(987.42)	(987.42)
		-	-	-	**5,166.67**	**5,166.67**	**5,166.67**
		-	-	-	(33,724.75)	(33,724.75)	(33,724.75)

Note: Previous year figures are in bracket.

33 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Trade receivables, Lease Rent Recoverable Cash and cash equivalents Bank Balances Other financial assets	Ageing Analysis and Credit rating	Diversification of bank deposits, investments, credit limits and letters of credit
Liquidity risk	Borrowings, trade payable and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities and liquid investments
Market risk - foreign exchange	Future commercial transactions Recognized financial assets not denominated in Indian rupee (INR)	Position of net foreign exchange risk, based on relative assets and liabilities	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Replacement of high cost debt with low cost debt

The Company's risk management is carried out by the treasury and credit control department of the holding company under policies approved by the senior management and board of directors.

Credit Risk

Credit risk arise from possibility that customer may default on its obligation resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivable.

Credit risk on Bank balances is not significant as it majorly includes Balances with Bank with high credit ratings assigned by international and domestic credit rating agencies.

The credit risk is managed by the Company through credit approvals, establishing the financial reliability of the customers taking into account the financial condition, analysis of historical bad debts and ageing of accounts receivables. Individual limits are set accordingly by the credit control department of the Holding Company.

Following table provides age wise breakup of receivables ₹/Lacs

	As at 31.03.2020	As at 31.03.2019
Not Due	-	-
0-90 days past due	-	34.66
91-180 days past due	-	22.68
180-365 days past due	-	46.14
1-2 years past due	-	73.83
More than 2 years past due	651.31	714.59
	651.31	**891.90**

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a trade receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The summary of life time allowance made on customer balances during the year and balance at the year end is given below:

₹/Lacs

	As at 31.03.2020	As at 31.03.2019
Balance at the beginning	891.90	1,206.68
Reversed during the year	(143.00)	(314.78)
Amounts written off	(97.59)	-
Balance at the end	**651.31**	**891.90**

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The treasury department of the holding company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31.03.2020

₹/Lacs

	Carrying Value	On demand	Less than 1 year	1 to 2 Years	2 to 5 Years	More than 5 Years
Non-derivatives						
Borrowings						
-From Banks	-	-	-	-	-	-
	(720.58)	-	(720.58)	-	-	-
-From Others	-	-	-	-	-	-
	(141.54)	-	(141.54)	-	-	-
-Finance Lease Obligation	-	-	-	-	-	-
	(36.79)	-	(36.79)	-	-	-
-From Related Party	**4,770.15**	**4,770.15**	-	-	-	-
	(32,442.05)	(32,442.05)	-	-	-	-
Trade payables	**319.24**	-	**319.24**	-	-	-
	(295.28)	-	(295.28)	-	-	-
Other financial liabilities				-	-	-
-Deposits	**62.51**	-	**62.51**	-	-	-
	(62.51)	-	(62.51)	-	-	-
-Interest accrued but not due	-	-	-	-	-	-
	(10.92)	-	(10.92)	-	-	-
-Capital Creditors	**0.32**	-	**0.32**	-	-	-
	(0.32)	-	(0.32)	-	-	-
-Employee benefits payable	**14.45**	-	**14.45**	-	-	-
	(14.76)	-	(14.76)	-	-	-
Total non-derivative liabilities	**5,166.67**	**4,770.15**	**396.52**	-	-	-
	(33,724.75)	(32,442.05)	(1,282.70)	-	-	-

Note: Previous year figures are in bracket.

Market risk

(i) Interest rate risk

The Company's main interest rate risk arise from borrowings with variable interest rates, which expose the Company to cash flow interest rate risk. As on 31.03.2020 the Company has ₹ 4,770.15 Lacs (2019- ₹ 33,304.17 Lacs) of borrowings with variable interest rates. In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing of fixed rate and floating rate financial instruments in its total portfolio.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹/Lacs

	As at 31.03.2020	As at 31.03.2019
Variable rate borrowings	4,770.15	33,304.17
Fixed rate borrowings	-	36.79
Total borrowings	**4,770.15**	**33,340.96**

As at the end of the reporting period, the Company had the following variable rate borrowings:

	As at 31.03.2020			As at 31.03.2019		
	Weighted average interest rate	**Balance**	**% of total loans**	Weighted average interest rate	Balance	% of total loans
Bank loans and others	5.74%	4,770.15	100.00%	7.05%	33,304.17	99.89%
Net exposure to cash flow interest rate risk	**4,770.15**			33,304.17		

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

₹/Lacs

	Impact on profit after tax		**Impact on other components of equity**	
	Year ended 31.03.2020	Year ended 31.03.2019	**As at 31.03.2020**	As at 31.03.2019
Interest rates - increase by 10 basis points	**(3.28)**	(22.91)	**(3.28)**	(22.91)
Interest rates - decrease by 10 basis points	**3.28**	22.91	**3.28**	22.91

Foreign currency risk
The Company's primary operations are in India and therefore, is not exposed to significant foreign currency risk. The Company evaluates the exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies which are approved by the senior management and the Audit Committee, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency risk exposure
The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

₹/Lacs

	USD	AED	SGD
Financial Liabilities			
Trade Payables	**8.50**	-	-
	(8.24)		
Net exposure to foreign currency risk (liabilities)	**8.50**	-	-
	(8.24)	-	-

Note: Previous year figures are in bracket.
The Company's foreign currency exposure as at the reporting date is not significant, hence, sensitivity analysis has not been reported.

34 Capital Management

Risk Management
The Company's objective when managing capital are to safeguard their ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Capital structure as of 31.03.2020 and 31.03.2019 were as follows:

₹/Lacs

	As at 31.03.2020	As at 31.03.2019
Total Debt	4,770.15	33,340.96
Equity	(4,621.15)	(5,733.05)
Capital and net debt	**149.00**	**27,607.91**

The Company is not subject to any externally imposed capital requirements for the year ended 31.03.2019 and 31.03.2020.

35 Remuneration to Auditor*:

₹/Lacs

	Year ended 31.03.2020	Year ended 31.03.2019
Statutory audit	8.50	10.50
Tax audit fees/certifications	2.50	6.75
Out of pocket expenses	1.10	1.64
TOTAL	**12.10**	**18.89**

*Excluding GST as applicable.

36 Taxation:

(a) Provision for taxation has been computed by applying the Income Tax Act, 1961 and other relevant tax regulations in the jurisdiction where the Company conducts the business to the profit for the year. 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 tax assets and deferred tax liabilities relates to the same taxable entity and the same taxation authority.

(b) Deferred Tax:
Major components of Deferred tax arising on account of timing difference along with their movement as at 31.03.2020 are:

₹/Lacs

	As at 31.03.2019	Movement during the year	**As at 31.03.2020**
Deferred Tax Assets			
Minimum Alternative Tax	29.21	(29.21)	-
Total	29.21	(29.21)	-
Deferred Tax Assets	29.21	(29.21)	-

* During the year, deferred tax assets amounting to ₹ 29.21 lacs has been written off due to lack of reasonable certainty of future taxable profits against which such deferred tax assets can be utilized.

(c) Income Tax Expense:

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

₹/Lacs

	Year ended 31.03. 2020	Year ended 31.03. 2019
(i) Income tax expense	-	-
Current tax	-	-
Total current tax expense	-	-
Deferred tax	-	-
Decrease in MAT credit	**29.21**	-
(Decrease) in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**29.21**	-
Income tax expense	**29.21**	-

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

₹/Lacs

	Year ended 31.03. 2020	Year ended 31.03. 2019
Profit/(loss) before income tax expense	**1,141.11**	(1,319.22)
Tax at the Indian tax rate of 31.20% (2019- 31.20%)	**356.03**	(411.60)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:	**(260.73)**	-
Decrease/ (increase) in MAT credit	**29.21**	-
Adjustment on account of brought forward losses	**(95.29)**	411.60
Income tax expense	**29.21**	-

₹/Lacs

Tax Losses	**As at 31.03.2020**	As at 31.03.2019
Unused tax losses for which no deferred tax assets has been recognized	**9,136.09**	**8,774.52**
Potential tax benefit @ 31.20% (2019- 31.20%)	**2,850.46**	**2,737.65**

The unused tax losses is not likely to generate taxable income in foreseeable future. The losses can be carried forward as per details below:

₹/Lacs

Expiry Date	**As at 31.03.2020**	As at 31.03.2019
31.3.2023	**157.14**	157.14
31.3.2024	**1,191.33**	1,191.33
31.3.2025	**1,155.31**	1,155.32
31.3.2026	**268.69**	268.69
31.3.2027	**2,844.00**	2,176.99
No limit	**3,519.62**	3,825.05
Total	**9,136.09**	8,774.52

37 Leases:

a) Finance Leases:

As Lessor:

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

(ii) The gross investment in the assets given on finance leases as at 31.03.2020 and its present value as at that date are as follows:

₹/Lacs

	Total minimum lease receivable	Interest included in minimum lease receivable	Present value of minimum lease receivable
Not later than one year			
As at 31.03.2020	**393.03**	**112.71**	**280.32**
As at 31.03.2019	(683.95)	(139.13)	(544.82)
Later than one year and not later than five years			
As at 31.03.2020	**-**	**-**	**-**
As at 31.03.2019	-	-	-
Total			
As at 31.03.2020	**393.03**	**112.71**	**280.32**
As at 31.03.2019	(683.95)	(139.13)	(544.82)

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

b) Cancelable Operating Leases

As Lessee:

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

(ii) The rental expense in respect of operating leases is ₹ 1.53 Lacs (2019 - ₹ 1.44 Lacs) which is disclosed as rent expense under 'other expenses'.

As Lessor:

The gross block, accumulated depreciation and depreciation expense in respect of plant & machinery given on operating lease are as below:

₹/Lacs

	As at 31.03.2020	As at 31.03.2019
Gross Block	**3.34**	3.34
Accumulated Depreciation	**3.34**	3.34
Net Block	**-**	-
Depreciation Expense	**-**	1.87

38 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The loss considered in ascertaining the Company's EPS represent loss for the year after tax. Diluted EPS is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year except when results would be anti-dilutive.

Particulars	**Year ended 31.03.2020**	Year ended 31.03.2019
Profit /(loss) after tax (₹/lacs)	**1111.10**	(1319.22)
Weighted average number of shares considered as outstanding in computation of Basic EPS	**75,274**	75,274
Weighted average number of shares outstanding in computation of Diluted EPS	**75,274**	75,274
Basic EPS (of ₹10/- each)	**1,476.07**	(1,752.56)
Diluted EPS (of ₹10/- each)	**1,476.07**	(1,752.56)

There are no dilutive equity shares as at year end.

39 Segment Reporting

The Company's business falls within a single primary business and geographical segment, i.e. learning business which includes training services and educational content and related hardware offerings for private schools, colleges and other education institutes and vocational training. Accordingly, pursuant to Indian Accounting Standard 108, on Operating Segments, segment information is not required to be disclosed.

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

(a) **Defined Contribution**

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

	Year ended 31.03.2020	Year ended 31.03.2019
		₹/Lacs
(i) Employers contribution to Employee State Insurance*	**0.08**	0.57
(ii) Employers contribution to Employee's Pension Scheme 1995*	**0.81**	1.69

* Included in Contribution to Provident and Other Funds under Employee benefits expense (Refer Note 27).

(b) **Defined Benefit**

(i) Gratuity
(ii) Provident Fund#

In accordance with Ind AS 19, an actuarial valuation was carried out in the respect of the aforesaid defined benefit plan based on the following assumptions:

	Gratuity	
	March 31, 2020	**March 31, 2019**
Discount rate (per annum)	**5.66%**	7.30%
Rate of increase in compensation levels	**5.00%**	5.00%
Rate of return on plan assets	**Not Applicable**	Not Applicable
Expected statutory interest rate	**Not Applicable**	Not Applicable
Expected short fall in interest earnings	**Not Applicable**	Not Applicable
Expected average remaining working lives of employees (years)	**0.11**	14.22

As of 31.03.2020, every 0.5 percentage point increase/ decrease in discount rate will affect gratuity benefit obligation by approximately by ₹ 73.

As of 31.03.2020, every 0.5 percentage point increase/ decrease in weighted average rate of increase in compensation levels will effect gratuity benefit obligation by approximately ₹ 73.

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

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-

A) Salary Increases- Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

		₹/Lacs
	Gratuity	
	31.03.2020	31.03.2019
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Present value of obligation at the beginning of the year	**2.46**	5.44
Acquisition Adjustment	**0.00**	-
Current service cost	**0.18**	0.37
Interest cost	**0.18**	0.41
Total amount recognised in profit or loss	**0.36**	0.78
Actuarial (gain)/loss from change in demographic assumptions	**(0.04)**	0.01
Actuarial (gain)/loss from change in financial assumptions	**0.00**	0.03
Experience (gain)/loss	**(0.76)**	2.06
Total amount recognised in other comprehensive income	**(0.80)**	2.10
Benefits (paid)	**(0.61)**	(5.85)
Present value of obligation at the end of the year	**1.41**	2.46

	Gratuity	
	31.03.2020	31.03.2019
Cost recognised for the year :		
Current service cost	**0.18**	0.37
Past service cost	**-**	-
Interest cost	**0.18**	0.41
Actuarial (gain)/loss	**(0.80)**	2.10
Net cost recognised for the year*	**(0.44)**	2.88

* Included in Salaries, Wages, Bonus and Gratuity for Gratuity and Contribution to Provident and Other Funds for Provident Fund under Employee benefits expense (Refer Note 27) and actuarial (gain)/ loss in other comprehensive income.

Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets: **₹/Lacs**

	Gratuity	
	31.03.2020	31.03.2019
Present value of the obligation as at the end of the year	1.41	2.46
Fair value of plan assets at the end of the year	-	-
Assets/(Liabilities) recognised in the Balance Sheet	1.41	2.46
Experience adjustment in plan liabilities	(0.76)	2.06
Experience adjustment in plan assets	-	-

In respect of certain eligible employees, the Company is a partcipant in a provident fund plan which is administered through a multi employer trust. The participants have an obligation to make good any deficiency in the interest to be paid by the Trust to it's members and the income earned by it. Accordingly the plan is as a defined benefit plan. The trust has obtained an actuarial valuation of the Provident fund liability as at the Balance Sheet date and as per valuation report, there is no shortfall as on March 31, 2020. The valuation report contained details for the disclosure requirement of the Ind AS 19 "Employee Benefits" for the trust as a whole, however breakup into respective entities is not available and accordingly the disclosures for provident fund liability as required by Ind AS -19 "Employee Benefits" has not been made in these financial statements. The Company's contribution to provident fund for the year is ₹ 0.64 Lacs (2019 - ₹ 1.13 Lacs) which has been included under Contribution to Provident and Other Funds (Refer Note 27).

41 As per provisions of Section 135 of the Companies Act, 2013, the Company has to provide at least 2% of average net profits of the preceeding three financial years towards Corporate Social Responsibility ("CSR"). The Company was not required to spend/contribute to CSR Activity during the year as per Section 135 of the Companies Act, 2013 as average net profit for the last three financial year is negative.

42 HCL Learning Limited (the Company) had entered into a agreement with PCCW Solutions Limited to transfer its invenstment in HCL Insys Pte Ltd after the transfer of the trading business and the subsidiary Nurture Technologies FZE to HCL Investments Pte Ltd (subsidiary of HCL Infotech Limited), for a total consideration of ₹ 30,335 lakhs. The transaction was completed on November 15, 2019.

Due to the above development in current year the Company has realised a profit of ₹ 1832.26 lacs which is disclosed as exceptional item in Statment of profit and loss acccount.

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

₹/Lacs

		As at 31.03.2020	As at 31.03.2019
a. (i)	Principal amount remaining unpaid to any supplier as at the end of the year.	0.11	0.16
(ii)	Interest due on the above amount.	0.03	0.01
b. (i)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act).	-	-
(ii)	Amount of principal payments made to the suppliers beyond the appointed day during the year.	5.05	9.45
c.	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Act.	-	-
d.	Amount of interest accrued and remaining unpaid at the end of the year.	0.13	0.40
e.	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

44 As at March 31, 2020, the Company has accumulated losses and its net worth has been fully eroded and the Company's current liabilities exceeded its current assets by ₹ 5,047.39 lacs (2019 - ₹ 33,715.34 lacs). To ensure the necessary financial support for its operations, the Board of Directors of HCL Infosystems Limited (which in turn has obtained financial support from a significant promoter shareholder), has issued a support letter to the Company. Considering the above support, the Company's management and Board of Directors haves a reasonable expectation that the Company will be able to realise its assets and discharge its contractual obligations and liabilities as they fall due in the near future in the normal course of business. Accordingly, the financial statements have been prepared on a going concern basis.

45 The operations and financial results of the company were marginally impacted due to shut down of company's operations across various locations w.e.f. March 23, 2020 as per the directives of both the Central and State Governments in the wake of COVID-19 pandemic. In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment (PPE), trade receivables and other balances recoverable. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing the estimates on the basis of available information in its assessment of impact thereof on its financial reporting. Based on aforesaid assessment, management believes that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its aforesaid assets as on March 31, 2020. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

46 Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

For B S R & Associates LLP
Chartered Accountants
Firm Registration Number-116231W/W-100024

SANDEEP BATRA
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Date: 2020.06.12 22:16:05 +05'30'

Sandeep Batra
Partner
Membership Number - 093320

New Delhi, June 12, 2020

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

DILIP KUMAR SRIVASTAVA
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Dilip Kumar Srivastava
Director
DIN - 06847137

NEELESH AGARWAL
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Neelesh Agarwal
Director
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Komal Bathla
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Komal Bathla
Company Secretary

Noida, June 12, 2020