

Tel : 2200 4465, 2206 7440

Fax : 91-22- 2200 0649

E-mail : [mumbai@vsa.co.in](mailto:mumbai@vsa.co.in)

Website : [www.vsa.co.in](http://www.vsa.co.in)

## INDEPENDENT AUDITOR'S REPORT

To The Members of India Infoline Foundation

Report on the Audit of the Ind AS financial statements

### Opinion

We have audited the Ind AS financial statements of India Infoline Foundation ("the Company"), which comprise the Balance Sheet as at 31st March 2022, Income and Expenditure Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its deficit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.



### **Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial controls 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 ability of the Company 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 financial statements, including the disclosures, and whether the 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. The Company is licensed to operate under section 8 of Companies Act, 2013 and as such the requirements of the Companies (Auditor's Report) Order, 2020 (the 'order') issued by Central Government of India in terms of Section 143(11) of the Act, are not applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
- 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 Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and based on verification of records, the company has not paid or provided for managerial remuneration during the year.

- 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, in our opinion and to the best of our information and according to the explanations given to us:



# V. Sankar Aiyar & Co.

CHARTERED ACCOUNTANTS

Mumbai – 400 020

- i. The Company did 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 - Refer Note No 26 (iii) of the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note No 26 (iv) of the financial statements;
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 26 (i) of the financial statements;  
  
(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 26 (ii) of the financial statements; and  
  
(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement;
- v. The Company has neither declared nor paid any dividend during the year.

Place: Mumbai

Date: 25<sup>th</sup> April 2022



For V. Sankar Aiyar & Co.,  
Chartered Accountants  
(FRN 109208W)

*S Nagabushanam*

(S Nagabushanam)  
(M.No.107022)  
UDIN: 22107022ALGGZW9948

**Annexure A to the Independent Auditor's Report**

**Annexure referred to in our report of even date to the members of India Infoline Foundation on the accounts for the year ended 31<sup>st</sup> March 2022**

**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 India Infoline Foundation ("the Company") as of March 31<sup>st</sup>, 2022 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai

Date: 25<sup>th</sup> April 2022



For **V. Sankar Aiyar & Co.**,  
Chartered Accountants  
(FRN 109208W)

*S Nagabushana*

**(S Nagabushanam)**  
(M.No.107022)  
UDIN: 22107022ALGGZW9948

**India Infoline Foundation**  
Balance Sheet as at March 31, 2022

(₹ in Millions)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	0.06	0.16
(b) Other intangible assets	3	0.35	0.24
(c) Other non-current assets	4	2.67	0.10
<b>Sub total</b>		<b>3.08</b>	<b>0.50</b>
<b>(2) Current Assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	5	0.99	46.11
(ii) Bank Balance other than above(i)	6	218.20	141.40
(iii) Other financial assets	7	1.20	0.47
(b) Current tax assets (net)	8	1.38	0.79
(c) Other current assets	9	0.14	0.13
<b>Sub total</b>		<b>221.91</b>	<b>188.90</b>
<b>Total</b>		<b>224.99</b>	<b>189.40</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Corpus		0.01	0.01
(b) Other equity	10	158.53	187.41
<b>Sub total</b>		<b>158.54</b>	<b>187.42</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Provisions	11	0.76	0.64
<b>Sub total</b>		<b>0.76</b>	<b>0.64</b>
<b>(2) Current Liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	12		
- Outstanding dues of creditors other than micro & small enterprises		1.14	1.16
(ii) Other financial liabilities	13	64.23	-
(b) Other current liabilities	14	0.28	0.14
(c) Provisions	15	0.04	0.04
<b>Sub total</b>		<b>65.69</b>	<b>1.34</b>
<b>Total</b>		<b>224.99</b>	<b>189.40</b>
See accompanying notes forming part of Financial statements	<b>1-27</b>		

As per our attached report of even date

For V Sankar Aiyar & Co.  
Chartered Accountants  
Firm's Registration No.109208W



S Nagabushanam

S Nagabushanam  
Partner  
Membership No.: 107022

Place : Mumbai  
Dated : Apr 25, 2022

For and on behalf of Board of Directors

  
Geetha Menon  
Director  
(DIN: 09371376)

  
Anil Mascarenhas  
Director  
(DIN: 03575717)



**India Infoline Foundation**  
Income and Expenditure Account for the year ended March 31, 2022

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Incomes</b>			
a. Revenue from operations	16	159.45	178.66
b. Other income	17	8.94	4.77
<b>Total income</b>		<b>168.39</b>	<b>183.43</b>
<b>Expenses</b>			
a. Employee benefits expense	18	10.28	9.98
b. Depreciation and amortization expense	19	0.18	0.21
c. Other expenses	20	186.84	145.15
<b>Total expenses</b>		<b>197.30</b>	<b>155.34</b>
<b>Surplus/(deficit) before tax</b>		<b>(28.91)</b>	<b>28.09</b>
Tax expenses:			
(i) Current tax		-	-
(ii) Deferred tax		-	-
<b>Total tax expenses(i+ii)</b>		<b>(28.91)</b>	<b>28.09</b>
<b>Surplus/(deficit) for the year</b>			
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to income and expenditure		0.03	(0.03)
(ii) Income tax relating to items that will not be reclassified to income and expenditure		-	-
<b>Other Comprehensive Income (i+ii)</b>		<b>0.03</b>	<b>(0.03)</b>
<b>Total Comprehensive Income for the year</b>		<b>(28.88)</b>	<b>28.06</b>
See accompanying notes forming part of Financial statements	<b>1-27</b>		

As per our attached report of even date

For V Sankar Aiyar & Co.  
Chartered Accountants  
Firm's Registration No.109208W

*S Nagabushanam*

**S Nagabushanam**  
Partner  
Membership No.: 107022



For and on behalf of Board of Directors

*Geetha Menon*  
**Geetha Menon**  
Director  
(DIN: 09371376)

*Anil Mascarenhas*  
**Anil Mascarenhas**  
Director  
(DIN: 03575717)

Place : Mumbai  
Dated : Apr 25, 2022





# India Infoline Foundation

## Statement of changes in equity for the year ended March 31, 2022

Other equity  
FY 2021-22

(₹ in Millions)

Particulars	Reserves and Surplus	Remeasurment on defined benefit plan	Total
	Retained earnings		
Opening balance as at April 1, 2021	187.51	(0.10)	187.41
Changes in accounting policy/prior period errors			
Restated balance at the beginning of the current reporting period			
Dividends			
Transfer to Retained Earnings			
Settlement of loss of subsidiary			
Total comprehensive income for the year	(28.91)	0.03	(28.88)
Balance as at March 31, 2022	158.60	(0.07)	158.53

FY 2020-21

(₹ in Millions)

Particulars	Reserves and Surplus	Remeasurment on defined benefit plan	Total
	Retained earnings		
Opening balance as at April 1, 2020	159.42	(0.07)	159.35
Changes in accounting policy/prior period errors			
Restated balance at the beginning of the current reporting period			
Dividends			
Transfer to Retained Earnings			
Settlement of loss of subsidiary			
Total comprehensive income for the year	28.09	(0.03)	28.06
Closing balance as at March 31, 2021	187.51	(0.10)	187.41

As per our attached report of even date

For V Sankar Aiyar & Co.  
Chartered Accountants  
Firm's Registration No.109208W

S Nagabushanam

S Nagabushanam  
Partner  
Membership No.: 107022



Geetha Menon  
Director  
(DIN: 09371376)

Anil Mascarenhas  
Director  
(DIN: 03575717)

Place : Mumbai  
Dated : Apr 25, 2022



**India Infoline Foundation**  
Cash Flow Statement for the year ended March 31, 2022

(₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Net surplus/(Deficit) before taxation, and extraordinary item	(28.91)	28.09
<b>Adjustments for:</b>		
Depreciation and amortisation	0.18	0.21
Interest income	(8.91)	(4.75)
Provisions for gratuity	0.18	0.10
Provisions for leave encashment	0.03	0.10
<b>Operating surplus/(Deficit) before working capital changes</b>	<b>(37.43)</b>	<b>23.75</b>
(Increase)/Decrease in other non current assets	(2.57)	(0.08)
(Increase)/Decrease in other current assets	(0.74)	(0.22)
(Increase)/Decrease in current liabilities*	64.37	(0.02)
Increase/(Decrease) in Provisions	(0.06)	0.03
Increase/(Decrease) in Trade Payable	(0.02)	0.78
<b>Cash generated from operations</b>	<b>23.54</b>	<b>24.24</b>
Taxes	(0.59)	(0.03)
<b>Net cash flow from operating activities (A)</b>	<b>22.95</b>	<b>24.21</b>
<b>Cash flows from investing activities</b>		
Interest income	8.91	4.75
Purchase of fixed assets	0.19	(0.32)
Deposit placed with bank	(76.80)	(85.80)
Sale of investments	-	-
<b>Net cash flow (used in) investing activities (B)</b>	<b>(68.08)</b>	<b>(81.37)</b>
<b>Cash flows from financing activities</b>		
Increase in corpus	-	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(45.13)</b>	<b>(57.16)</b>
Cash and cash equivalents at beginning of year	46.11	103.27
Cash and cash equivalents at end of year	0.99	46.11
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(45.13)</b>	<b>(57.16)</b>
<b>See accompanying notes forming part of the Financial Statements (1-27)</b>		

As per our attached report of even date

For V Sankar Aiyar & Co.  
Chartered Accountants  
Firm's Registration No.109208W

*S Nagabushanam*

S Nagabushanam  
Partner  
Membership No.: 107022



For and on behalf of Board of Directors

*Geetha Menon*  
Geetha Menon  
Director  
(DIN: 09371376)

*Anil Mascarenhas*  
Anil Mascarenhas  
Director  
(DIN: 03575717)

Place : Mumbai  
Dated : Apr 25, 2022



**Note 1. Corporate Information**

India Infoline Foundation is section 8 Company as per the Companies Act, 2013 was incorporated on February 2014 and its formed to undertake charitable activities

**Note 2. Summary of significant accounting policies:**

**2.01 Basis of accounting and preparation of financial statements:**

The Financial Statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 by Ministry of Corporate Affairs ('MCA') as amended from time to time.

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period (Refer accounting policy regarding financial instruments)

The financial statements are presented in Indian Rupee (INR) which is company's presentation and functional currency.

The Financial statements are approved for issue by the company's Board of Directors at its meeting held on Apr 25,2022.

**2.02 Key Accounting Estimates And Judgements:**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**(i) Classification of assets and liabilities into current and non-current**

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects which has been determined to be 12 months cycle.

**(ii) Provision for litigation:**

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

**(iii) Income taxes:**

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**(iv) Estimation as to the useful lives of Property, Plant & Equipment and Investment Property:**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**(v) Measurement of defined benefit obligations and other employee benefits:**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services.

The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Notes - 'Employee benefits'.

**(vi) Impairment of financial assets**

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

**2.03 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
  - ii) Held primarily for the purpose of trading
  - iii) Expected to be realised within twelve months after the reporting period, or
  - iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

**2.04 A liability is current when:**

- i) It is expected to be settled in normal operating cycle
  - ii) It is held primarily for the purpose of trading
  - iii) It is due to be settled within twelve months after the reporting period, or
  - iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.05 Comprehensive income (loss):**

Comprehensive income (loss) consists of net earnings (loss) and other comprehensive income (loss) and includes all changes in total equity during a period, except for those resulting from investments by owners and distributions to owners. Accumulated other comprehensive income (loss) (net of income taxes) is included in the balance sheet as a component of common shareholders' equity.

**2.06 Cash and Cash Equivalents :**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments

**2.07 Financial Instruments:**

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

**Financial assets**

**Initial recognition and measurement:**

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

**i. Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

**ii. Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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.

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.



**iii. Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the company, such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

**Reclassifications:**

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

**Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

**iv Impairment of financial assets:**

In case of other assets (listed as i and ii above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

**Financial Liabilities and equity:****Initial recognition and measurement:**

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

**Subsequent measurement:**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.



**Derecognition:**

A financial liability is derecognized 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 the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

**2.08 Determination of fair value:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Determination of fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**2.09 Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Donations are accounted as per the date of receipt & all donations received during the period are towards the objectives of the Company.

(b) Voluntary contributions are accounted on the date of receipt. All voluntary contributions received during the year are towards the objectives of the Company.

**Income from Investments**

Interest income on investments is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments classified as fair value through profit or loss or fair value through other comprehensive income. Interest on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realisation.

**2.10 Employee Benefits:****Share-based payment arrangements:**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Securities premium includes:

- A. The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- B. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

**Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Post-Employment Benefits:****I. Defined contribution plans:**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company operates a Superannuation scheme for eligible employees.



Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

## II. Defined benefit plans:

Gratuity scheme: The Company, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

### Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

## 2.11 Income taxes:

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

### Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax:** Deferred tax is provided using the balancesheet method on temporary differences between the tax bases of assets & liabilities & their carrying amounts for financials reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

### Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.



**2.12 Property, Plant & Equipment:**

Measurement at recognition: An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

**Depreciation:**

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**Derecognition:** The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

**Estimated useful life of the assets is as under:**

Class of assets	Useful life in years
Computers*	3

\* For class of assets management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Individual assets or group of similar assets costing less than or equal to ₹ 5,000 are fully depreciated in the year of purchase.

**2.13 Provisions, Contingent Liabilities and Contingent Assets:**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration require to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ address from time to time. The penalties/ action if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.





**India Infoline Foundation**

Notes forming part of the Financial Statements for the year ended March 31, 2022

**Note 3 : Property, Plant and Equipment**

(₹ in Millions)

March 31, 2022	Computers
<b>Cost:</b>	
Opening balance as at April 01, 2021	0.65
Additions	-
Disposals/transfers	-
<b>Closing gross block as at March 31, 2022</b>	<b>0.65</b>
<b>Accumulated depreciation:</b>	
Opening balance as at April 01, 2021	0.49
Depreciation charge for the year	0.10
Disposals/transfers	-
<b>Closing balance as at March 31, 2022</b>	<b>0.59</b>
<b>Net block closing as at March 31, 2022</b>	<b>0.06</b>
<b>Net block opening as at April 01, 2021</b>	<b>0.16</b>

(₹ in Millions)

March 31, 2021	Computers
<b>Cost:</b>	
Opening balance as at April 01, 2020	0.57
Additions	0.08
Disposals/transfers	-
<b>Closing gross block as at March 31, 2021</b>	<b>0.65</b>
<b>Accumulated depreciation:</b>	
Opening balance as at April 01, 2020	0.28
Depreciation charge for the year	0.21
Disposals/transfers	-
<b>Closing balance as at March 31, 2021</b>	<b>0.49</b>
<b>Net block closing as at March 31, 2021</b>	<b>0.16</b>
<b>Net block opening as at April 01, 2020</b>	<b>0.29</b>

**Other intangible assets**

(₹ in Millions)

March 31, 2022	Software
<b>Cost:</b>	
Opening balance as at April 01, 2021	0.24
Additions	0.19
Disposals/transfers	-
<b>Closing gross block as at March 31, 2022</b>	<b>0.43</b>
<b>Accumulated depreciation:</b>	
Opening balance as at April 01, 2021	-
Depreciation charge for the year	0.08
Disposals/transfers	-
<b>Closing balance as at March 31, 2022</b>	<b>0.08</b>
<b>Net block closing as at March 31, 2022</b>	<b>0.35</b>
<b>Net block opening as at April 01, 2021</b>	<b>0.24</b>

(₹ in Millions)

March 31, 2021	Software
<b>Cost:</b>	
Opening balance as at April 01, 2020	-
Additions	0.24
Disposals/transfers	-
<b>Closing gross block as at March 31, 2021</b>	<b>0.24</b>
<b>Accumulated depreciation:</b>	
Opening balance as at April 01, 2020	-
Depreciation charge for the year	-
Disposals/transfers	-
<b>Closing balance as at March 31, 2021</b>	<b>-</b>
<b>Net block closing as at March 31, 2021</b>	<b>0.24</b>
<b>Net block opening as at April 01, 2020</b>	<b>-</b>



## Note 4 : Other non current assets

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Other advances	2.67	0.10
<b>Total</b>	<b>2.67</b>	<b>0.10</b>

## Note 5 : Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balances with bank:</b>		
In current accounts	0.99	15.61
In deposit accounts (maturity less than 3 months)	-	30.50
<b>Total cash &amp; cash equivalents</b>	<b>0.99</b>	<b>46.11</b>

## Note 6 : Other Bank Balance

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balances with bank:</b>		
In deposit accounts (maturity more than 3 months)	218.20	141.40
<b>Total other bank balance</b>	<b>218.20</b>	<b>141.40</b>

## Note 7 : Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on fixed deposit	1.20	0.47
<b>Total</b>	<b>1.20</b>	<b>0.47</b>

## Note 8 : Current tax assets (Net)

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance Recoverable from Government Authorities	1.38	0.79
<b>Total</b>	<b>1.38</b>	<b>0.79</b>

## Note 9 : Other current assets

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	0.12	0.13
Security Deposit	0.02	-
<b>Total</b>	<b>0.14</b>	<b>0.13</b>



**India Infoline Foundation**

Notes forming part of the Financial Statements for the year ended March 31, 2022

(₹ in Millions)		
Note 10 : Other equity		
Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	158.60	159.42
Remeasurment on Defined Benefit Plan	(0.07)	(0.10)
<b>Total</b>	<b>158.53</b>	<b>159.32</b>

(₹ in Millions)		
Note 11 : Provisions		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	0.53	0.42
Provision for leave encashment	0.22	0.22
<b>Total</b>	<b>0.76</b>	<b>0.64</b>

(₹ in Millions)		
Note 12 : Trade payables		
Particulars	As at March 31, 2022	As at March 31, 2021
- Outstanding dues of creditors other than micro & small enterprises		
(a) Accrued salaries & benefits	0.26	-
(b) Provision for expenses	0.85	1.13
(c) Other payable	0.03	0.03
<b>Total</b>	<b>1.14</b>	<b>1.16</b>

(₹ in Millions)						
Trade Payables ageing schedule FY 21-22						
Particulars	Outstanding for following periods from due date of payments					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME						1.14
(ii) Others	1.14					
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

(₹ in Millions)						
Trade Payables ageing schedule FY 20-21						
Particulars	Outstanding for following periods from due date of payments					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME						1.16
(ii) Others	1.16					
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

Particulars	FY 2021-22	FY 2020-21
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-

(₹ in Millions)		
Note 13 : Other financial liabilities		
Particulars	As at March 31, 2022	As at March 31, 2021
Payable to related parties (Refer note 21)	64.23	-
<b>Total</b>	<b>64.23</b>	<b>-</b>

(₹ in Millions)		
Note 14 : Other current liabilities		
Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities payable	0.28	0.14
<b>Total</b>	<b>0.28</b>	<b>0.14</b>



# India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

## Note 15 : Short term provisions (₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	0.01	0.01
Provision for leave encashment	0.03	0.03
<b>Total</b>	<b>0.04</b>	<b>0.04</b>

## Note 16 : Revenue from operations (₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Donation received	159.45	178.66
<b>Total</b>	<b>159.45</b>	<b>178.66</b>

## Note 17 : Other income (₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Income Tax Refund	0.03	0.02
Interest income on fixed deposits	8.91	4.75
<b>Total</b>	<b>8.94</b>	<b>4.77</b>

## Note 18 : Employee benefit expense (₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and bonus	9.09	8.85
Contribution to provident and other funds	0.75	0.70
Gratuity*	0.15	0.13
Staff welfare expenses	0.26	0.20
Leave Encashment	0.03	0.10
<b>Total</b>	<b>10.28</b>	<b>9.98</b>

\*The Company is recognising and accruing the employee benefit as per Ind AS – 19 on “Employee Benefits” the disclosures of which are as follows

### a) Defined benefit plan

Particulars	2021-22	2020-21
Defined benefit obligation as at beginning of year	0.43	0.27
Service Cost	0.12	0.11
Interest on Defined Benefit Obligation	0.03	0.02
Actuarial changes arising from changes in demographic assumptions	(0.00)	-
Actuarial changes arising from changes in financial assumptions	(0.03)	0.00
Actuarial Loss/(Gain) arising on account of experience changes	(0.01)	0.03
Liabilities assumed / (settled)	-	-
<b>Defined benefit obligation at the end of the year</b>	<b>0.55</b>	<b>0.43</b>

Particulars	2021-22	2020-21
Fair value of plan assets at the beginning of the year	-	-
Interest on Plan Asset	-	-
Benefits paid	-	-
Actual return on Plan Assets less Interest on Plan Assets	-	-
Assets acquired /(settled)	-	-
Contributions by employer	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>



# India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

(₹ in Millions)

Particulars	2021-22	2020-21
<b>Net Assets and Liabilities recognised in Balance Sheet</b>		
Present value of Funded Defined Benefit Obligation	(0.55)	(0.43)
Fair value of Plan assets		-
Funded status (Surplus/(deficit))	(0.55)	(0.43)
<b>Net Assets and (Liabilities) recognised in Balance Sheet</b>	<b>(0.55)</b>	<b>(0.43)</b>

(₹ in Millions)

Particulars	2021-22	2020-21
<b>Expenses recognised in Statement of Profit and Loss</b>		
Service cost	0.12	0.11
Interest on Net Defined Benefit Liability / (Asset)	0.03	0.02
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>0.15</b>	<b>0.13</b>

(₹ in Millions)

Particulars	2021-22	2020-21
<b>Expenses recognised in Other Comprehensive Income</b>		
Actuarial (Gains)/Losses on Obligation for the Period	(0.03)	0.03
Actual return on Plan Assets less Interest on Plan Assets		-
<b>Expenses recognised in Other Comprehensive Income</b>	<b>(0.03)</b>	<b>0.03</b>

Actuarial Assumptions	2021-22	2020-21
Discount Rate	7.23%	6.80%
Expected rate of return on plan assets	NA	NA
Future salary Increase	5.00%	5.00%
Mortality Table	Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

(a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other relevant factors.

(b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

## Sensitivity analysis :

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Change in discounting rate:</b>		
Delta effect of increase by 100 basis point	(0.05)	(0.05)
Delta effect of decrease by 100 basis point	0.06	0.06
<b>Change in salary escalation rate:</b>		
Delta effect of increase by 100 basis point	0.07	0.06
Delta effect of decrease by 100 basis point	(0.06)	(0.05)
<b>Change in employee turnover rate:</b>		
Delta effect of increase by 100 basis point	0.01	0.00
Delta effect of decrease by 100 basis point	(0.01)	(0.00)



## India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk :-** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds

**Interest risk :-** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments

**Longevity risk :-** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk :-** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Maturity analysis of the benefit payments: from the employer (₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1st following year	0.01	0.01
2nd following year	0.04	0.01
3rd following year	0.04	0.03
4th following year	0.04	0.03
5th following year	0.04	0.03
Sum of years 6 To 10	0.21	0.17
Sum of years 11 and above	1.11	0.91

### b) Defined contributions plan

Company's contributions to defined contribution plans recognised as expense for the year as under:

(₹ in Millions)

Particulars	2021-22	2020-21
Contribution to provident & other funds	0.64	0.59
<b>Total</b>	<b>0.64</b>	<b>0.59</b>

### Note 19 : Depreciation and amortization expense

(₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	0.18	0.21
<b>Total</b>	<b>0.18</b>	<b>0.21</b>

### Note 20 : Other expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank charges	0.01	-
Communication	0.02	0.02
Corporate social responsibility expense	41.75	23.79
Donation paid	144.39	120.91
Legal and professional charges	0.21	0.13
Other expenses	0.13	0.04
Annual Maintenance Charges - Software	0.24	0.17
Repairs & Maintenance - Electricals	-	0.01
Postage and courier	0.00	-
Meeting & Seminar - Client	0.00	-
Books & Periodicals	0.01	-
Printing and stationery	0.00	-
Travelling and conveyance	0.08	0.08
<b>Total</b>	<b>186.84</b>	<b>145.15</b>



# India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

## Note 21 : Related Party Transaction

(a) As Per Ind As 24, the disclosures of transaction with the related parties are given below :

Nature of relationship	Name of party
(a) Holding Company	IIFL Securities Limited
(b) Other Related Parties	IIFL Finance Limited
	IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited)
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)
	IIFL Wealth Management Limited
(c) Fellow Subsidiaries * (from April 01, 2018)	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	Livlong Protection & Wellness Services Limited (Formerly known as IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited)
	IIFL Wealth UK Limited
	IIFL Capital Inc
	IIFL Comodities Limited (Formerly India Infoline Commodities Limited)
	IIFL Securities Services IFSC Limited (from August 06, 2018)
(d) Group Companies	5Paisa Capital Limited (Formerly IIFL Capital Limited)
	5Paisa P2P Limited
	5Paisa Insurance Brokers Limited
	Samasta Microfinance Limited w.e.f 1st March 2017
	Ayusha Dairy Private Limited w.e.f 1st March 2017
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited
	IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)
	IIFL Alternate Asset Advisors Limited
	IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)
	IIFL Distribution Services Limited
	IIFL Investment Advisers & Trustee Services Limited (Formerly IIFL Trustee Services Limited)
	India Alternatives Investment Advisors Private Limited-ceased to be group company w.e.f. 30th March 2017
	IIFL Asia Pte Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Assets Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited)
	IIFL Private Wealth Management (Dubai) Limited
IIFL Inc.	
IIFL Private Wealth (Suisse) SA.	
(f) Director or his Relatives	Ms. Madhu Nirmal Jain
	Mr. Anil Mascarenhas
	Ms. Geetha Satish Menon ( w.e.f Oct 20th 2021)
	Mr. Pritesh Mehta (Upto Oct 29th 2021)
	Mr. Nirmal Jain
	Mr. R Venkataraman
	Orpheus Trading Pvt. Limited
	Ardent Impex Pvt. Limited

\* Date of Demerger - 1 April 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited



# India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

**(b) Significant transactions with related parties :**

(₹ in Millions)

Nature of transaction	2021-22	2020-21
<b>Donation received</b>		
<b>a. Holding Company</b>		
IIFL Securities Limited (Formerly India Infoline Limited)	25.09	39.57
<b>b. Fellow subsidiaries</b>		
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	0.70	0.55
IIFL Commodities Limited (Formerly India Infoline Commodities Limited)		0.23
Livlong Insurance Brokers Limited (Formerly known as IIFL Insurance Brokers Limited)	4.07	3.78
IIFL Management Services Limited	1.48	0.85
IIFLW CSR FOUNDATION		5.01
<b>c. Others</b>		
IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited)		
IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)		
IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited)	70.70	71.50
IIFL Finance Limited	57.40	47.10
IIFL Wealth Management Limited		
IIFL Investment Advisors And Trustee Services Limited		
IIFL Alternate Asset Advisors Limited		
<b>Amount due to/from related parties-Receivable/(Payable) to related parties</b>		
<b>a. Holding Company</b>		
IIFL Securities Limited (Formerly India Infoline Limited)	(9.33)	
<b>b. Other Related Parties</b>		
IIFL Finance Limited	(24.60)	
IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Limited)	(30.30)	
<b>ICD Received</b>		
IIFL Securities Limited (Formerly India Infoline Limited)	-	20.00
<b>ICD Received Return Back</b>		
IIFL Securities Limited (Formerly India Infoline Limited)	-	20.00
<b>Nature of transaction</b>		





## India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

### Note 22 :- Financial Risk Management

The Company financial risk management is an integral part of how to plan and execute its business strategies. The Company risk management policy is approved by the board committee.

The Company principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and Investment.

The Company is exposed to credit risk and liquidity risk. The Company senior management oversees the management of these risks. The Company senior management is overseen by the committee with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

#### 22 B. 1. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Since the Company has exposure to regulated entities, the credit risk is limited. It is mitigated by timely monitoring of receivables. The Company has robust accounts receivable collection mechanism which has ensured near zero level of credit risk since inception.

#### 22 B. 2. Credit risk exposure

There is no requirement for providing for expected credit loss as the Company has robust collection mechanism and has not written off any amount due to client credit risk exposure.

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

Particulars	Carrying amount up to 1 year	
	As at	As at
	March 31, 2022	March 31, 2021
Trade and other payables	1.14	1.16
Other financial liabilities	64.23	-
<b>Total</b>	<b>65.37</b>	<b>1.16</b>

#### 22 D. 1. Fair values of financial instruments

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

#### 22 D. 2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Particulars	At amortised cost	
	As at	As at
	March 31, 2022	March 31, 2021
<b>Assets</b>		
Cash and cash equivalents	0.99	46.11
Bank balance	218.20	141.40
Other financial asset	1.20	0.47
<b>Total assets</b>	<b>220.39</b>	<b>187.98</b>
<b>Liabilities</b>		
Trade and other payables	1.14	1.16
Other financial liabilities	64.23	-
<b>Total liabilities</b>	<b>65.37</b>	<b>1.16</b>

The management assessed that carrying amount of cash and cash equivalents, other financial liabilities, trade payables and other financial liabilities approximate their fair value largely due to short - term maturities of these instruments.



**India Infoline Foundation**

Notes forming part of the Financial Statements for the year ended March 31, 2022

NOTE 23 : Ratio Analysis						
Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance (%)	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	3.38	188.90	-98%	Increase in expenses and decrease in revenue from operation
(b) Debt-Equity Ratio	Short Term Loan + Long Term Loan	Shareholders Equity	NA	NA	NA	
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	NA	NA	NA	
(d) Return on Equity Ratio	Profit after tax	Average shareholder's equity	(0.17)	0.28	-160%	Increase in expenses and decrease in revenue from operation
(e) Inventory turnover Ratio			NA	NA	NA	
(f) Trade Receivables turnover Ratio	Revenue from operations	Average Trade Receivable	NA	NA	NA	
(g) Trade Payables turnover Ratio	Other expenses	Average Trade Payables	162.81	250.26	-35%	Increase in expenses and decrease in revenue from operation
(h) Net capital turnover Ratio	Total Income	Working Capital	1.08	0.98	10%	
(i) Net Profit Ratio	Profit after tax	Total Income	(0.17)	0.15	-212%	Increase in expenses and decrease in revenue from operation
(j) Return on capital employed	EBIT	Shareholders Equity	(0.18)	0.15	-222%	Increase in expenses and decrease in revenue from operation
(k) Return on investment	Income generated from investments	Average investments	NA	NA	NA	

**NOTE 24 : Recent Pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**NOTE 25: Labour Code**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.

**NOTE 26: Other Disclosure**

- (i) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- (iv) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.
- (v) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (vi) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- (vii) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (viii) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- (x) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.



# India Infoline Foundation

Notes forming part of the Financial Statements for the year ended March 31, 2022

---

Note 27 : Previous year's figure have been regrouped / reclassified wherever necessary.

As per our attached report of even date

For V Sankar Aiyar & Co.  
Chartered Accountants  
Firm's Registration No.109208W

*S Nagabushanam*



S Nagabushanam  
Partner  
Membership No.: 107022

For and on behalf of Board of Directors

*Geetha Menon*  
Geetha Menon  
Director  
(DIN: 09371376)

*Anil Mascarenhas*  
Anil Mascarenhas  
Director  
(DIN: 03575717)

Place : Mumbai  
Dated : Apr 25, 2022

