

MANAPPURAM COMPTECH & CONSULTANTS LIMITED

Regd. Office: 3rd Floor, Manappuram House(Old Building), Valapad, Thrissur, Kerala 680567
CIN: U72200KL2000PLC013966, Website: www.macomsolutions.com
Email: info@macomsolutions.com, Tel: +91 487 3106006

BOARD'S REPORT

To
The Members of
Manappuram Comptech and Consultants Limited

Your Directors have pleasure to present the 22nd Annual Report of the company together with the Audited Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and the Report of the Auditors for the financial year ended March 31, 2022.

1. FINANCIAL RESULTS

| SI No | Description | As on March 31, 2022 (INR Lakhs) | As on March 31, 2021 (INR Lakhs) |
|-------|---|----------------------------------|----------------------------------|
| 1 | Income from Operations | 3042.09 | 2248.22 |
| 2 | Other Income | 28.64 | 24.59 |
| 3 | Total Revenue | 3070.73 | 2272.81 |
| 4 | Total Expenditure | 2888.26 | 1845.69 |
| 5 | Profit before Depreciation & Finance charges | 492.14 | 580.79 |
| 6 | Depreciation & finance charges | 309.67 | 153.67 |
| 7 | Profit/(Loss) Before Tax | 182.47 | 427.12 |
| 8 | Provision for taxation (including deferred tax) | 49.77 | 112.47 |
| 9 | Profit/(Loss) After Tax | 132.70 | 314.64 |
| 10 | Profit b/f from previous year | 583.61 | 268.97 |
| 11 | Balance carried forward to Balance Sheet | 716.31 | 583.61 |

2. BUSINESS OUTLOOK/OPERATIONS

The Company is in the process of strengthening its operations by augmenting the customer base and extending the service portfolio. While the market continues to be competitive, management is confident that the company can achieve reasonable growth in view of the inherent strengths of the company. Your directors see better prospects for the Company in the years to come. Your company has engaged in providing cloud support services to the customers and is expecting to add more clients in the coming years.

3. STATE OF THE COMPANY'S AFFAIRS

The company wishes to expand its Information Technology on a national base and contribute to profits of the parent company.

4. THE BOARD'S PERCEPTION OF FUTURE OF THE COMPANY CONSIDERING MARKET COMPETITION.

Being a subsidiary to Manappuram Finance Limited and with expanded capital base, the board's perception of future is to enhance the growth of the company and serve multi-national companies and develop as the best fintech company. The Company has already started providing cloud support services which is forming a major part of company revenue.

5. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of company

6. MAJOR EVENTS OF THE YEAR

There are no major events for the year except for routine business nature activities.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no significant material changes and commitments affecting financial position of the company between 31st March, 2022 and the date of Board's Report.

8. DIVIDEND

In order to utilize the funds for various research and developmental projects, Board do not recommend any dividend for the financial year 2021-2022.

9. CHANGES IN SHARE CAPITAL

During the Financial Year 2021 - 2022 there has been no change in the share capital of the company.

Disclosure regarding Issue of Equity Shares with Differential Rights:

The company has not issued any shares with differential rights during the year.

Disclosure regarding issue of Employee Stock Options:

The company has not issued any shares under an Employee Stock Option scheme during the year.

Disclosure regarding issue of Sweat Equity Shares:

The company has not issued any sweat equity shares during the year.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There were 6 directors on the Board of the Company having diverse experience and expertise in their respective areas. The Board has been actively participating in the affairs of the Company and met 6 times during the year for reviewing the operations of the Company. Leave of Absence were duly granted by the Board of Directors for absentees if any. The dates on which the Board Meetings, Audit Committee and Nomination and Remuneration Committee were held are as follows:

BOARD MEETING ATTENDANCE DETAILS:-

| SI. No | Date | Board Strength | No. of Directors Present | Name of Absentee. |
|--------|------------|----------------|--------------------------|-------------------------|
| 1 | 28-04-2021 | 6 | 6 | NA |
| 2 | 28-06-2021 | 6 | 5 | Mrs. Sushama Nandakumar |
| 3 | 29-07-2021 | 6 | 6 | NA |
| 4 | 25-10-2021 | 6 | 6 | NA |
| 5 | 07-02-2022 | 6 | 6 | NA |
| 6 | 09-03-2022 | 6 | 6 | NA |

AUDIT COMMITTEE MEETING ATTENDANCE DETAILS:-

| SI. No | Date | Committee Strength | No. of Members Present | Name of Absentee. |
|--------|------------|--------------------|------------------------|-------------------|
| 1 | 28-04-2021 | 3 | 3 | NA |
| 2 | 29-07-2021 | 3 | 3 | NA |
| 3 | 25-10-2021 | 3 | 3 | NA |
| 4 | 07-02-2022 | 3 | 3 | NA |

NOMINATION AND REMUNERATION COMMITTEE MEETING ATTENDANCE DETAILS:-

| Sl. No | Date | Nomination and Remuneration Committee Meeting Strength. | No. of Directors Present | Name of Absentee. |
|--------|------------|---|--------------------------|-------------------|
| 1 | 28-04-2021 | 3 | 3 | NA |
| 2 | 25-10-2021 | 3 | 3 | NA |

In accordance with the provisions of Companies Act and Articles of Association of the Company, Mr. V P Nandakumar [DIN 00044512], Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers for re-appointment.

11. PARTICULARS OF EMPLOYEES

In terms of the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee was drawing remuneration in excess of the limits set out in the said rules.

The Highest Remuneration receiving 10 employees during the Financial 2021-22 is as follows:-

| NAME | POST | DESIGNATION | AMOUNT |
|----------------------|-------------------------|-------------------------|-----------|
| DEEPKUMAR K.R | MD AND CEO | MD AND CEO | 8,274,994 |
| SAI PRASAD SIVADASAN | HEAD - QA ,CLOUD | SR. VICE PRESIDENT | 4,441,758 |
| RAJU.O.M. | CHIEF APPLICATION HEAD | JOINT GENERAL MANAGER | 2,349,172 |
| BHAVIN VENUGOPAL | CHIEF FINANCIAL OFFICER | ASST. GEN. MGR. | 2,176,936 |
| SAJAN JANARDANAN | GENERAL MANAGER-LEGAL | GENERAL MANAGER | 2,204,522 |
| NANDAKUMAR P B | CHIEF OPERATING OFFICER | GENERAL MANAGER | 1,828,118 |
| SUSHIL P K | APPLICATION HEAD | SR. DY. GEN. MGR. | 1,822,828 |
| ARUN.M.R | DEPUTY APPLICATION HEAD | SR.ASST GENERAL MANAGER | 1,551,096 |

| | | | |
|--------------------------------------|---|-----------------|-----------|
| HARIPRASAD SUBRAMANNIAN VALATH | ARCHITECT | ASST. GEN. MGR. | 1,427,052 |
| NITHIN MOHAN | COMPANY SECRETARY & COMPLAINCE OFFICER | ASST. GEN. MGR. | 1,474,669 |

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is primarily engaged in IT and consultancy services and therefore conservation of energy, technology absorption etc. have a limited application only. However, the Company follows a practice of purchasing and using energy efficient electrical and electronic equipment's and gadgets in its operation.

Following are the details of foreign exchange earnings and outgo during the period covered by this report:

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

13. PROVISION FOR SAFEGUARD OF WOMEN

The Company has framed a Policy as required under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013 and an Internal Complaints Committee (ICC) has been constituted in accordance with the said Act. There are no unresolved complaints before the Committee during the year 2021 - 2022.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2022 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

15. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV

The Company does not have any Joint venture or Associate Company or Subsidiary Company. The company is a subsidiary company to Manappuram Finance Limited.

16. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as per Rule 12 of the Companies (Management & Administration) Rules, 2014 is placed at Annexure 1.

17. AUDITORS

The Auditor's Report for the financial year ended March 31, 2022 is included in this Annual Report. The Report does not contain any qualification, reservation or adverse remark.

18. DISCLOSURE U/S 143 (12)

The auditors of the company have not reported any fraud pursuant to section 143(12) of the Companies Act, 2013 (Companies (Amendment) Act, 2013).

19. COST AUDITORS:

The company is not required to appoint a Cost Auditor pursuant to the provisions of the Companies Act, 2013

20. SECRETARIAL AUDIT:

The provisions of section 204 and Rule 9 of the companies (Appointment and Remuneration personnel) Rules, 2014 is not applicable to the company.

21. INTERNAL AUDIT

The Company has appointed M/s KPMG as Internal Auditors of the Company from financial year 2019 – 2020. The internal audit function is regularly carried out in the Company and the reports are submitted to the Audit Committee and also forwarded to the Board of Directors of the Company. The Company has the internal financial control system commensurate with the size of the company.

22. REPORT ON CORPORATE GOVERNANCE

Your Company has been practicing principle of good Corporate Governance right from its inception. The endeavor of the Company is not only to comply with the regulatory requirements but also practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability.

As per the Companies Act, 2013 the Company is not required to constitute Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. However as part of best practice, the company has voluntarily formed Audit Committee and Nomination and Remuneration Committee.

The Composition of Audit Committee is as follows:-

| Name | Designation |
|-------------------------------|--------------------|
| CA A K MOHANAN | Chairman |
| V P NANDAKUMAR | Member |
| SREEDHARAN RADHAKRISHNAN NAIR | Member |

The Composition of Nomination and Remuneration Committee is as follows:-

| Name | Designation |
|-------------------------------|--------------------|
| SREEDHARAN RADHAKRISHNAN NAIR | Chairman |
| V P NANDAKUMAR | Member |
| CA A K MOHANAN | Member |

Disclosure required under Schedule V of the Companies Act, 2013

i. Mr. Deepkumar K R, Managing Director of the Company has been paid an annual CTC of Rs. 65,00,000/- as per the rules of the Company and within the limits set out in the provisions of Section II of Part II of Schedule V to the Companies Act, 2013. He is also eligible for a commission upto INR 30 Lakhs subject to approvals from the Nomination and Remuneration Committee

ii. Details of Remuneration of Mr. Deepkumar K R, Managing Director:

- a. Annual CTC – INR 65 Lakhs
- b. The appointment was made w.e.f December 12, 2021 for a period of 3 years.
- c. The Company has not introduced any stock option plan

The Company has not paid remuneration to any other director during the year except for sitting fees.

iii. During the year 2021 – 2022, the Nomination and Remuneration Committee has recommended a commission of INR 20,00,000/- to the Managing Director.

iv. During the year 2021 – 2022, the Nomination and Remuneration Committee has recommended a commission of INR 18,00,000/- to the Independent Directors of the Company. The details are as follows:-

| No | Name of the Director | Amount (INR) |
|----|-------------------------------|--------------|
| 1 | A K MOHANAN | 10,00,000/- |
| 2 | SREEDHARAN RADHAKRISHNAN NAIR | 8,00,000/- |

23. DEPOSITS:

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2022. There were no unclaimed or unpaid deposits as on March 31, 2022.

The details of deposits accepted/renewed during the year under review are furnished hereunder

I. Deposits Accepted during the year NIL

II. Remained unpaid or unclaimed as at the end of the year; NIL

III. Whether there has been any default in repayment of deposits

or payment of interest thereon during the year and if so, number of such cases and the total amount involved.

N.A

a. At the beginning of the year;

N.A

b. Maximum during the year;

N.A

c. At the end of the year;

N.A

IV. The details of deposits which are not in compliance with the requirements of Chapter

N.A

24. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Board has adopted the procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial disclosures.

25. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of contracts or arrangements with related parties in the specified format are placed at Annexure 2.

Your Directors also draw attention of the members to Note 34 to the financial statement which sets out related party disclosures.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year under review, the Company has not advanced any loans/ given guarantees.

27. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

29. DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT EXERCISED DIRECTLY BY THE EMPLOYEES IN RESPECT OF SHARES TO WHICH THE SCHEME RELATES:

There was no purchase by Company or giving of loans by it for purchase of its shares during the period under review.

30. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS AND THAT OF ITS COMMITTEES:

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013

The board reviewed the performance of the individual director on the basis of the criteria various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the board.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

31. DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy in line with the holding company pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company.

32. ACKNOWLEDGEMENT

Your Directors acknowledge the dedicated service rendered by the Employees of the Company at all levels. The Directors also acknowledge the support and co-operation received especially from Shareholders, Investors, Customers, Well-wishers and all Authorities and Institutions.

For and on behalf of the Board of Directors



Deepkumar K R

Managing Director and CEO
(DIN: 05348065)

Thrissur
May 10, 2022

ANNEXURE - I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on **March 31, 2022**
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U72200KL2000PLC013966
- ii) Registration Date: June 01, 2000
- iii) Name of the Company: Manappuram Comptech & Consultants Limited
- iv) Category / Sub-Category of the Company: Public Company having share capital
- v) Address of the registered office and contact details:
4/647, 3rd Floor, Manappuram
House(Old Building), Valapad, Thrissur,
Kerala 680567
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

SKDC Consultants Limited

Category I Registrars and Share Transfer Agents

PB No. 2016, "Kanapathy Towers", 3rd Floor, 1391/A1, Sathy Road, Ganapathy Post
Coimbatore – 641006, TN, India

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

| Sl. No. | Name and Description of main Products/ Services | NIC Code of the Product/ Service | % total turnover of the Company |
|---------|--|----------------------------------|---------------------------------|
| 1. | Computer Programming, Consultancy and Related Activities | 620 | 95% |
| 2. | Accounting, bookkeeping and auditing activities; tax consultancy | 692 | 5% |

| | | | | | | | | | |
|--|--------|------|--------|-------|--------|------|--------|-------|---|
| nominal share capital in excess of Rs. 1 lakh. | | | | | | | | | |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Directors & their Relatives | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(2) | - | 1000 | 1000 | 0.19% | - | 1000 | 1000 | 0.19% | - |
| Total Public | | | | | | | | | |
| Shareholding (B)= (B)(1)+(B)(2) | - | 1000 | 1000 | 0.19% | - | 1000 | 1000 | 0.19% | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A)+(B)+(C) | 526000 | 1000 | 527000 | 100 | 526000 | 1000 | 527000 | 100 | - |

(ii) Shareholding of Promoters

| Shareholders Name | No. of Shares held at the beginning of the year (01.04.2021) | | | No. of Shares held at the end of the year (31.03.2022) | | | % of change during the year |
|----------------------------|--|----------------------------------|--|--|----------------------------------|--|-----------------------------|
| | No. of shares | % of total shares of the company | % of Shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of Shares pledged / encumbered to total shares | |
| Manappuram Finance Limited | 526000 | 99.81 | - | 526000 | 99.81 | - | - |
| V P Nandakumar | - | - | - | - | - | - | - |
| B N Raveendra Babu | - | - | - | - | - | - | - |
| Sushama Nandakumar | - | - | - | - | - | - | - |
| TOTAL | 526000 | 99.81 | - | 526000 | 99.81 | - | - |

(iii) Change in Promoters' Shareholding

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year April 1, 2021 | | Date | Date wise Increase/ Decrease in Promoters Shareholding during the year | Reasons for increase /decrease | Cumulative Shareholding during the year. March 31, 2022 | |
|---------|----------------------------|---|----------------------------------|------|--|--------------------------------|---|-----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company. |
| 1 | V P NANDAKUMAR | - | - | - | - | - | - | - |
| 2 | MANAPPURAM FINANCE LIMITED | 526000 | 99.81 | - | - | - | 526000 | 99.81 |

| | | | | | | | | |
|----|--------------------------|---|---|---|---|---|---|---|
| 3. | B N RAVEENDRA BABU | - | - | - | - | - | - | - |
| 4. | SUSHAMA NANDAKUMAR | - | - | - | - | - | - | - |

(iv) Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year April 1, 2021 | | Date | Date wise Increase/ Decrease in Shareholding during the year | Reasons for increase /decrease | Cumulative Shareholding during the year. March 31, 2022 | |
|---------|----------------------------|---|----------------------------------|------|--|--------------------------------|---|-----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company. |
| 1 | Jayasankar S | 1000 | 0.19 | - | - | | 1000 | 0.19 |
| 2 | V P Nandakumar* | | | | | | | |
| 3 | Sushama Nandakumar* | | | | | | | |
| 4 | B N Raveendra Babu* | | | | | | | |
| 5 | Sumitha Nandan Jayasankar* | | | | | | | |
| 6 | Suhas Nandan* | | | | | | | |
| 7 | Nini Raj* | | | | | | | |

*1 shares held in each of their name on behalf of Parent Company

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name of Director/KMP | Shareholding at the beginning of the year April 1, 2021 | | Date | Date wise Increase/ Decrease in Promoters Shareholding during the year | Reasons for increase /decrease | Cumulative Shareholding during the year. March 31, 2022 | |
|---------|----------------------|---|----------------------------------|------|--|--------------------------------|---|-----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company. |
| 1 | V P NANDAKUMAR | - | - | - | - | - | - | - |
| 2 | SUSHAMA NANDAKUMAR | - | - | - | - | - | - | - |
| 3 | S R NAIR | - | - | - | - | - | - | - |
| 4 | DEEPKUMAR K R | - | - | - | - | - | - | - |
| 5 | B N RAVEENDRA BABU | - | - | - | - | - | - | - |

| | | | | | | | | |
|---|------------------|---|---|---|---|---|---|---|
| 6 | CA AK MOHANAN | - | - | - | - | - | - | - |
| 7 | DR SARIN P | - | - | - | - | - | - | - |
| 8 | BHAVIN VENUGOPAL | - | - | - | - | - | - | - |
| 9 | NITHIN MOHAN | - | - | - | - | - | - | - |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year: | | | | |
| i)Principal Amount | - | - | - | - |
| ii)Interest due but not paid | - | - | - | - |
| iii)Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | - | - | - | - |
| · Addition | - | - | - | - |
| · Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year: | - | - | - | - |
| i)Principal Amount | - | - | - | - |
| ii)interest due but not paid | - | - | - | - |
| iii)interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. no. | Particulars of Remuneration | Deepkumar K R |
|---------|--|-----------------------------------|
| 1 | Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary under section 17(3) Income- tax Act,1961 | 62,74,994/- Nil Nil |
| 2 | Stock Option | Nil |
| 3 | Sweat Equity | Nil |
| 4 | Commission | 20,00,000/- |

| | | |
|---|--|--------------------|
| | - as % of profit - others, specify.... | Nil Nil |
| 5 | Others, please specify | Nil |
| | Total (A) | 82,74,994/- |
| | Ceiling as per the Act: The remuneration paid to MD is within the limits prescribed by Schedule V of the Companies Act, 2013 | |

B. Remuneration to other directors:

| Sl. no. | Name of Directors | Particulars of Remuneration | | | Total Amount |
|---------|--|---|--------------------|------------------------|--------------------|
| | | Fee for attending board/ committee meetings | Commission | Others, please specify | |
| | Independent Directors: | | | | |
| 1 | Mr. Sreedharan Radhakrishnan Nair | 2,30,000/- | 8,00,000/- | - | 10,30,000/- |
| | CA A K Mohanan | 2,30,000/- | 10,00,000/- | - | 12,30,000/- |
| | Total (1) | 4,60,000/- | 18,00,000/- | | 22,60,000/- |
| | Other Non- Executive Directors: | | | | |
| 2 | Mr. V P Nandakumar | - | - | - | - |
| | Ms. Sushama Nandakumar | 1,25,000/- | - | - | 1,25,000/- |
| | Mr. B N Raveendra Babu | - | - | - | - |
| | Total (2) | 1,25,000/- | | | 1,25,000/- |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

| Sl. no. | Particulars of Remuneration | Particulars of Remuneration | | |
|---------|--|-----------------------------|-------------------|-------------|
| | | CFO | Company Secretary | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income- tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 21,76,936/- | 14,74,669/- | 36,51,605/- |

| | | | | |
|----|--|-------------|-------------|-------------|
| 2. | Stock Option | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL |
| 4. | Commission - as % of profit - others, specify... | NIL | NIL | NIL |
| 5. | Others, please specify | NIL | NIL | NIL |
| | Total | 21,76,936/- | 14,74,669/- | 36,51,605/- |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD/NCLT/ COURT) | Appeal made, if any (give Details) |
|---------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

| C. OTHER OFFICERS IN DEFAULT | | | | | |
|------------------------------|--|--|--|--|--|
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board of Directors



Deepkumar KR
 Managing Director and CEO
 (DIN: 05348065)
 Date: May 10, 2022

Note:-

1. For the purpose of filling this disclosure the shareholding of Manappuram Finance Limited is counted in full including nominee share holders.
2. Mr V P Nandakumar, Mr B N Raveendra Babu, Mrs Sushama Nandakumar, Mrs Sumitha Nandan Jayasankar, Mr Suhas Nandan and Mrs Nini Raj holds 1 share on behalf of Manappuram Finance Limited.

ANNEXURE - II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|----------------|---|----------------|
| (a) | Name (s) of the related party & nature of relationship | NA |
| (b) | Nature of contracts/arrangements/transaction | NA |
| (c) | Duration of the contracts/arrangements/transaction | NA |
| (d) | Salient terms of the contracts or arrangements or transaction including the value, if any | NA |
| (e) | Justification for entering into such contracts or arrangements or transactions' | NA |
| (f) | Date of approval by the Board | NA |
| (g) | Amount paid as advances, if any | NA |
| (h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NA |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| Name of the related party | Nature of Relationship | Nature of Contract/Arrangement | Duration of the Contract | Salient Terms of the Contract | Date of Approval by the Board | Amount paid as advance |
|--|------------------------|---------------------------------------|--|---|---|--|
| Manappuram Construction & Properties Limited | Sec 2(76)(v) | Service and Consultancy Agreement | Will be renewed and continue in force until it is terminated | Taxation | 27-Aug-12 | Nil |
| | | | | Management Audit | 24-Apr-13 | |
| | | Sub Contract Service Agreement | Up to 31.03.2024 | IT and Other Support Services | 19 – June-19 | Nil |
| | | Technical/Product Sale/AMC | Will be renewed and continue in force until it is terminated | Product Sale/Technical Service | 29-Oct-2019 25-Jan-2020 13-May-2020 25-July 2020 27-Jan-2021 28-April 2021 29-July-2021 25-Oct-2021 10-May-2022 | Nil |
| Manappuram Insurance Brokers Ltd | Sec 2(76)(v) | IT, Service and Consultancy Agreement | Will be renewed and continue in force until it is terminated | IT, Taxation | 27-Aug-12 | Received Rs. 1 Lakh as security deposit at the commencement of the IT Contract |
| | | | Will be renewed and continue in force until it is terminated | Technical Service | 29-Oct-2019 13-May-2020 10-May-2022 | Nil |
| | | | | | | Nil |
| Manappuram Finance Ltd | Holding Company | IT, Service Agreement/AMC/ Legal | Will be renewed and continue in force until it is terminated | IT Fees | 27-May-17 | Nil |
| | | | | Technical Services | 13-Dec-2018 23-Mar-2019 09-May-2019 19-June-2019 03-Aug-2019 29-Oct-2019 25-Jan-2020 13-May-2020 25-July-2020 30-Oct- 2020 27-Jan-2021 28-Apr-2021 29-July-2021 25-Oct-2021 07-Feb-2022 | |
| | | Lease Rental | 10 Years | Rental for Office Premises | 25-July-2020 | Nil |
| | | MADU Digital Learning Platform | Will be renewed and continue in force until it is terminated | Digital Learning platform for employees | 29-July-2021 | Nil |

| | | | | | | |
|--|---|--------------------------|--|---|---|-----------------------------|
| | | Lease Rental | 5 years | Rental for Office Premises | 07-Feb-2022 | Nil |
| Manappuram Home Finance Limited | Sec 2(76)(v) | IT, Service Agreement | Will be renewed and continue in force until it is terminated | IT Fees for Accounts Module & HR Module | 27-May-17 | Nil |
| | | | | Technical Services | 13-Dec-18 | |
| | | | | Product Sale/AMC | 13-May-2020 25-July-2020 30-Oct-2020 28-Apr-2021 29-July-2021 25-Oct-2021 10-May-2022 | |
| Manappuram Foundation | Charitable Trust controlled by Director | IT, Service Agreement | Will be renewed and continue in force until it is terminated | TAXATION | 18-May-2018 | Nil |
| | | | | IT | 27-May-2017 | Security Deposit 6,00,000/- |
| | | Product Sale | Will be renewed and continue in force until it is terminated | Sale of a Technical Product | 13-May-2020 30-Oct-2021 27-Jan-2021 28-Apr-2021 25-Oct-2021 07-Feb-2022 | Nil |
| | | Vaccination of Employees | NA | Covid Vaccination of Employees | 29-July-2021 | Nil |
| Mukundapuram Educational Society | Enterprise owned by Director | Service Agreement | Will be renewed and continue in force until it is terminated | Taxation | 27-May-2017 | Nil |
| Asirvad Microfinance Limited | Sec 2(76)(v) | Product Sale | Will be renewed and continue in force until it is terminated | Product Sale | 03-Aug-2019 13-May-2020 25-July-2020 28-Apr-2021 29-July-2021 25-Oct-2021 07-Feb-2022 | NIL |
| Manappuram Health Care Limited | Sec 2(76)(v) | Vaccination of Employees | NA | Covid Vaccination of employees | 29-July-2021 | NIL |
| Adlux Medicity and Convention Centre Private Limited | Sec 2(76)(v) | Vaccination of Employees | NA | Covid Vaccination of employees | 29-July-2021 | NIL |

* Date of the Board meeting at which the contract/arrangement is first approved. Date of approval for subsequent additions/modifications is not mentioned.

For and on behalf of the Board of Directors



Deepkumar KR
Managing Director and CEO(DIN: 05348065)
10th May 2022

INDEPENDENT AUDITORS' REPORT

To The Members of Manappuram Comptech and Consultants Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Manappuram Comptech and Consultants Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the 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, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit 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 other information. The other information comprises the information included in the 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 during the course of our audit or otherwise appears to be materially misstated.



- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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 including other comprehensive income, cash flows and changes in equity 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



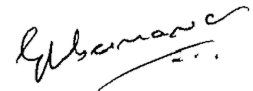
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting .
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
 - (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
 - (c) Based on the audit procedures that has been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



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- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839
(UDIN: 22109839AIRPAY5841)



BENGALURU, May 10, 2022

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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 **Manappuram Comptech and Consultants Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (the "ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

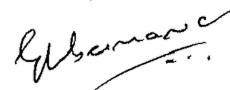
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us, 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 criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839
(UDIN: 22109839AIRPAY5841)



BENGALURU, May 10, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment and right of use assets were physically verified during the year by the Management in accordance with their programme of verification which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties and hence reporting under clause i(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment including Right of Use assets and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.



- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, *prima facie* not been used during the year for long term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.



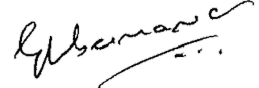
- (b) To the best of our knowledge, no report under sub-section 12 of section 143 of the Companies Act has been filed in Form ADT 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period from April 1, 2021 to December 31, 2021 and the final internal audit reports were issued after the balance sheet date for the period from January 1, 2022 to March 31, 2022, for the period under audit.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a),(b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839
(UDIN: 22109839AIRPAY5841)



BENGALURU, May 10, 2022

Manappuram Comptech and Consultants Limited
Balance Sheet as at March 31, 2022
(All amounts are in Rs. Thousands unless otherwise stated)

| PARTICULARS | Note No | As at March 31, 2022 | As at March 31, 2021 |
|--|---------|----------------------|----------------------|
| ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 3A | 13,766.38 | 6,300.36 |
| (b) Right of use assets | 4 | 27,087.82 | 16,960.46 |
| (c) Intangible assets | 3B | 55,144.22 | 31,153.22 |
| (d) Intangibles under development | 5 | 10,815.46 | 16,730.04 |
| (e) Financial assets | | | |
| (i) Investments | 6 | 50.00 | 50.00 |
| (ii) Other Financial assets | 7 | 1,237.01 | 1,018.21 |
| (f) Deferred tax assets (Net) | 8 | 5,001.36 | 2,942.89 |
| (g) Income tax assets (Net) | 8A | 1,626.44 | 68.91 |
| (h) Other non-current assets | 9 | 16,311.00 | 24,073.11 |
| Total non-current assets | | 131,039.69 | 99,297.20 |
| 2 Current assets | | | |
| (a) Financial assets | | | |
| (i) Trade receivables | 10 | 42,529.86 | 22,812.85 |
| (ii) Cash and cash equivalents | 11 | 16,816.87 | 22,467.60 |
| (iii) Other bank balances | 11A | 22,500.00 | - |
| (iv) Other Financial Assets | 7 | 33,918.56 | 2,124.47 |
| (b) Non financial assets | | | |
| (i) Current tax assets (Net) | 8B | 3,979.74 | 1,557.53 |
| (ii) Other current assets | 12 | 15,576.32 | 30,307.99 |
| Total current assets | | 135,321.35 | 79,270.44 |
| Total assets | | 266,361.04 | 178,567.64 |
| EQUITY AND LIABILITIES | | | |
| I EQUITY | | | |
| (a) Equity share capital | 13 | 52,700.00 | 52,700.00 |
| (b) Other equity | 14 | 68,459.17 | 56,310.69 |
| Total equity | | 121,159.17 | 109,010.69 |
| II LIABILITIES | | | |
| 1 Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease Liabilities | 15 | 25,401.32 | 16,291.26 |
| (ii) Other Financial Liabilities | 16 | 700.00 | 700.00 |
| (b) Other non-current liability | 17 | 5,685.51 | 3,201.65 |
| (c) Long-term provisions | 18 | 1,666.48 | 3,139.99 |
| Total non-current liabilities | | 33,453.31 | 23,332.90 |
| 2 Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease Liabilities | 19 | 3,204.22 | 1,112.99 |
| (ii) Trade payables | | | |
| - Dues of micro enterprises and small enterprises | 20 | 219.24 | 309.40 |
| - Dues of creditors other than micro enterprises and small enterprises | | 91,489.36 | 34,411.08 |
| (ii) Other financial liabilities | 21 | 2,933.60 | 3,202.50 |
| (b) Unearned income | 7A | 4,187.52 | 1,582.14 |
| (c) Other current liabilities | 22 | 9,462.08 | 5,345.56 |
| (d) Short-term provisions | 23 | 252.54 | 260.38 |
| Total current liabilities | | 111,748.56 | 46,224.05 |
| Total equity and liabilities (I + II) | | 266,361.04 | 178,567.64 |

See accompanying notes forming part of the financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner



Place: Bengaluru
Date: May 10, 2022

For and on behalf of the board of directors

V.P. Nandakumar
(Chairman)
(DIN: 00044512)

Deepkumar K R
(Managing Director)
(DIN: 05348065)

Bhavin Venugopal
(Chief Financial Officer)

Nithin Monan
(Company Secretary)

Place: Thrissur
Date: May 10, 2022

Manappuram Comptech and Consultants Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

| Particulars | Note No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|----------|-----------------------------------|-----------------------------------|
| I Revenue from operations | 24 | 304,209.09 | 224,821.52 |
| II Other income | 25 | 2,863.93 | 2,459.30 |
| III Total Income (I+II) | | 307,073.02 | 227,280.82 |
| IV Expenses | | | |
| (a) Employee benefits expense | 26 | 112,681.07 | 60,720.22 |
| (b) Depreciation and amortisation expenses | 27 | 29,448.33 | 14,546.43 |
| (c) Finance cost | 28 | 1,518.40 | 820.54 |
| (d) Other expenses | 29 | 145,178.12 | 108,481.94 |
| Total expenses | | 288,825.92 | 184,569.13 |
| V Profit before tax (III-IV) | | 18,247.10 | 42,711.69 |
| VI Tax expense | | | |
| a) Current tax | 30 | 6,658.20 | 11,147.00 |
| b) Deferred tax | | (1,681.20) | 100.23 |
| Net tax expense | | 4,977.00 | 11,247.23 |
| VII Profit for the year (V-VI) | | 13,270.10 | 31,464.46 |
| VIII Other comprehensive income | | | |
| i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement of post employment benefit obligation | | (1,498.88) | (879.18) |
| (b) Income tax on (a) above | | 377.27 | 221.27 |
| Other comprehensive income for the year | | (1,121.61) | (657.91) |
| IX Total comprehensive income for the year (VII+VIII) | | 12,148.49 | 30,806.55 |
| X Earnings per equity share (Face value per equity share Rs.100/-) | | | |
| Basic | 31 | 25.18 | 59.70 |
| Diluted | | 25.18 | 59.70 |

See accompanying notes forming part of the financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner



For and on behalf of the board of directors

V.P. Nandakumar
(Chairman)
(DIN:00044512)

Deepkumar K R
(Managing Director)
(DIN: 05348065)

Bhavin Venugopal
(Chief Financial Officer)

Nithin Mohan
(Company Secretary)

Place: Bengaluru
Date: May 10, 2022

Place: Thrissur
Date: May 10, 2022

Manappuram Comptech and Consultants Limited
Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit for the year | 13,270.10 | 31,464.46 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 29,448.33 | 14,546.43 |
| Loss on sale of Property, plant and equipment | 29.13 | - |
| Income tax expense | 4,977.00 | 11,247.23 |
| Finance costs | 1,518.40 | 820.54 |
| Income on lease modification | - | (1,017.83) |
| Interest income from banks | (377.57) | (1,199.84) |
| Operating Profit before working capital changes | 48,865.39 | 55,860.99 |
| Changes in working capital: | | |
| Decrease / (increase) in other financial assets | (31,689.23) | 655.96 |
| Decrease / (increase) in Trade Receivables | (19,717.01) | 3,215.92 |
| Decrease / (increase) in non-financial assets | 22,493.78 | (51,057.72) |
| Increase / (decrease) in non-financial assets | 56,988.12 | 28,579.96 |
| Increase / (decrease) in trade payables | (2,602.96) | (112.74) |
| Increase / (decrease) in provisions | (268.90) | (944.18) |
| Increase / (decrease) in financial liabilities | 6,600.38 | 532.24 |
| Increase / (decrease) in non-current liabilities | 2,605.38 | 1,399.74 |
| Increase / (decrease) in other non-financial liabilities | 34,409.56 | (17,730.80) |
| Cash generated from operations | 83,274.95 | 38,130.17 |
| Net income tax (paid) | (11,015.21) | (8,880.86) |
| Net cash flows from/(used in) operating activities (A) | 72,259.74 | 29,249.31 |
| B. Cash flow from investing activities | | |
| Capital expenditure, including Intangible under development | (52,685.31) | (34,107.62) |
| Interest received | 53.91 | 2,129.19 |
| Proceeds from disposal of Property, Plant and Equipment | 56.31 | - |
| Bank balances not considered as cash and cash equivalents | (22,500.00) | 19,900.00 |
| Net cash flows from/(used in) investing activities (B) | (75,075.09) | (12,078.43) |
| C. Cash flow from financing activities | | |
| Payment of principal portion of lease liabilities | (2,835.38) | (2,984.32) |
| Net cash flow from financing activities (C) | (2,835.38) | (2,984.32) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (5,650.73) | 14,186.56 |
| Cash and cash equivalents at the beginning of the year | 22,467.60 | 8,281.04 |
| Cash and cash equivalents at the end of the year | 16,816.87 | 22,467.60 |
| Components of cash and cash equivalents comprises: (Refer Note 11) | | |
| Cash on hand | 16.54 | 6.80 |
| Balances with banks: | | |
| In current accounts | 16,800.33 | 22,460.80 |
| Total cash and cash equivalents | 16,816.87 | 22,467.60 |

See accompanying notes forming part of the financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

G.K. Subramaniam
Partner



Place: Bengaluru
Date: May 10, 2022

For and on behalf of the board of directors

V.P.Nandakumar
(Chairman)
(DIN:0044512)

Deepkumar K.R
(Managing Director)
(DIN:05348065)

Bhavin Venugopal
(Chief Financial Officer)

Nithin Mohan
(Company Secretary)

Place: Thrissur
Date: May 10, 2022

Manappuram Comptech and Consultants Limited
Statement of Changes in Equity for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

a. Equity share capital

| Particulars | Number of shares | Amount |
|---|------------------|---------------|
| Balance as at April 1, 2020 | 527,000 | 52,700 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the year | - | - |
| Balance as at March 31, 2021 | 527,000 | 52,700 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the year | - | - |
| Balance as at March 31, 2022 | 527,000 | 52,700 |

b. Other equity

| Particulars | Reserves and surplus | Other comprehensive Income | Total |
|---|----------------------|--|------------------|
| | Retained earnings | Remeasurement of net defined benefit liability | |
| Balance as at April 1, 2020 | 26,896.78 | (1,392.64) | 25,504.14 |
| Profit for the year | 31,464.46 | - | 31,464.46 |
| Other comprehensive income for the year | - | (657.91) | (657.91) |
| Balance as at March 31, 2021 | 58,361.24 | (2,050.55) | 56,310.69 |
| Profit for the year | 13,270.10 | - | 13,270.10 |
| Other comprehensive Income for the year | - | (1,121.62) | (1,121.62) |
| Balance as at March 31, 2022 | 71,631.34 | (3,172.17) | 68,459.17 |

In terms of our report attached.

For Deloitte Haskins & Sells LLP
 Chartered Accountants

G.K. Subramaniam
 Partner



Place: Bengaluru
 Date: May 10, 2022

For and on behalf of the board of directors

V.P.Nandakumar
 (Chairman)
 (DIN:00044512)

Deepkumar K.R
 (Managing Director)
 (DIN:05348065)

Bhavin Vohugopal
 (Chief Financial Officer)

Nithin Mohan
 (Company Secretary)

Place: Thrissur
 Date: May 10, 2022

Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022

1. Corporate information

Manappuram Comptech and Consultants Limited (the "Company") was incorporated on June 1, 2000 vide Certificate of Incorporation U72200KL2000PLC013966 issued by the Registrar of Companies, Kerala. The Company is engaged in the business of rendering IT support service, taxation service, software development, support in all areas of hardware maintenance, network support, data centre management, software application, management audit, legal services, human resource management, accounting service, training and sale of license.

The company's Registered office is at 4/647, 3rd Floor, Manappuram House (Old Building), Valapad, Thrissur – 680 567, Kerala.

2. Significant accounting policies

2.1 Statement of Compliance

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2.2 "Basis of Preparation" below.

2.2 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.4 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Rs. Thousands except when otherwise indicated.

2.3 Summary of Significant Accounting Policies

a. Revenue recognition

Revenue is recognised upon transfer of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services as per IND AS 115. Arrangements with the customers for software related services are either on fixed price, fixed time frame or on a time and materials basis. Revenue on time and material contracts are recognised as related services are performed and revenue from the end of last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed price, fixed time frame contracts, where performance obligations are satisfied over time and where there is no uncertainty as the measurement or collectability of consideration, is recognised as percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or cost expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue recognized rateably over the term of underlying maintenance arrangement.

Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

Revenue from fee based activities are recognized as and when services are rendered. Fees earned from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed).

The company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to provide service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

b. Property, Plant and Equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

c. Depreciation

Depreciation on Property, Plant and Equipment has been provided on Written down value method at the rates prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions in Property, Plant and Equipment are provided on pro rata basis.

The estimated useful lives are, as follows:

| Nature of Asset | Useful Life of Assets |
|--------------------------|-----------------------|
| Plant and Equipment | 5 |
| Furniture and Fixtures | 10 |
| Computer and Accessories | 3 |
| Servers | 6 |

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022

Intangible Asset: An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Research cost are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the cost can be measured reliably. The cost which can be capitalised include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset intended to use.

d. Impairment of Tangible and Intangible Assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. After impairment, amortization is provided on the revised carrying amount of the asset over its remaining useful life. During the year, there are no impairment of assets.

e. Employee Benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.



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Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss. The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

f. Income tax

Current Tax

Current tax assets and liabilities for the current and prior years 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, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with



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A handwritten signature in black ink, appearing to be 'R. D. D.'.

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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022

respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

g. Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

h. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

i. Segment reporting

As per Ind AS- 108 Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The two reportable revenue segments identified by the company are as follows:

- 1) IT Services
- 2) Management Audit Services

Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to IT support service business. Other business segments comprise Management services.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.



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A handwritten signature in black ink, appearing to be "R. Srinivasan".

A handwritten signature in black ink, appearing to be "S. Anand".

A handwritten signature in black ink, appearing to be "S. Anand".

j. Provisions and contingencies

Provisions: Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k. Cash and Cash Equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

l. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past / future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

m. Determination of Fair Value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition.



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Notes forming part of financial statements for the year ended March 31, 2022

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

n. Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- ▶ Reports reviewed by the entity's key management personnel on the performance of the financial assets
- ▶ The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- ▶ The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

Principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, investments and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.



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Notes forming part of financial statements for the year ended March 31, 2022

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(iii) Financial assets measured at fair value through other comprehensive income

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income. Such classification is determined on an instrument by instrument basis.

Contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through profit and loss account, where amounts presented in other comprehensive income for equity instruments are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(v) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

(vi) Impairment of financial assets

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets that are measured at amortised costs or at fair value through other comprehensive income account.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.



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Notes forming part of financial statements for the year ended March 31, 2022

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Company computes the Loss Given Default based on the recovery rates.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

(vii) Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income / other expenses' line item.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022

Financial liabilities subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. 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 through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

o. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



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p. Foreign currency translation

Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

q. Other income and expenses

All Other income and expense are recognized in the period they occur.

r. Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Defined employee benefit assets and liabilities:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 3A - Property, plant and equipment

| Description of Assets | Office equipment | Computers | Furniture and fixtures | Total |
|-------------------------------------|------------------|------------------|------------------------|------------------|
| I. At cost | | | | |
| Balance as at April 1, 2020 | 4,150.80 | 16,525.93 | 7,516.11 | 28,192.84 |
| Additions | 162.50 | 4,849.52 | 76.80 | 5,088.82 |
| Disposals | - | - | - | - |
| Balance as at March 31, 2021 | 4,313.30 | 21,375.45 | 7,592.91 | 33,281.66 |
| Additions | 209.88 | 17,154.61 | 364.00 | 17,728.49 |
| Disposals | 379.60 | 1,186.78 | - | 1,566.38 |
| Balance as at March 31, 2022 | 4,143.58 | 37,343.28 | 7,956.91 | 49,443.77 |
| II. Accumulated Depreciation | | | | |
| Balance as at April 1, 2020 | 3,944.79 | 12,774.93 | 6,521.25 | 23,240.97 |
| Charge for the year | 5.09 | 3,398.63 | 336.63 | 3,740.34 |
| Disposals | - | - | - | - |
| Balance as at March 31, 2021 | 3,949.87 | 16,173.55 | 6,857.88 | 26,981.31 |
| Charge for the year | 118.30 | 9,768.60 | 290.13 | 10,177.02 |
| Disposals | 360.62 | 1,120.32 | - | 1,480.94 |
| Balance as at March 31, 2022 | 3,707.55 | 24,821.83 | 7,148.01 | 35,677.39 |
| Carrying value (I-II) | | | | |
| Balance as at March 31, 2022 | 436.03 | 12,521.45 | 808.91 | 13,766.38 |
| Balance as at March 31, 2021 | 363.43 | 5,201.90 | 735.04 | 6,300.36 |

Note 3B - Intangible assets

| Description of Assets | Software |
|-------------------------------------|------------------|
| I. At cost | |
| Balance as at April 1, 2020 | 32,728.17 |
| Additions | 20,128.61 |
| Disposals | - |
| Balance as at March 31, 2021 | 52,856.77 |
| Additions | 44,142.49 |
| Disposals | - |
| Balance as at March 31, 2022 | 96,999.26 |
| II. Accumulated Depreciation | |
| Balance as at April 1, 2020 | 10,937.78 |
| Charge for the year | 10,765.77 |
| Disposals | - |
| Balance as at March 31, 2021 | 21,703.55 |
| Charge for the year | 20,151.50 |
| Disposals | - |
| Balance as at March 31, 2022 | 41,855.05 |
| Carrying value (I-II) | |
| Balance as at March 31, 2022 | 55,144.22 |
| Balance as at March 31, 2021 | 31,153.22 |

Note: All the Property, plant and equipment and intangible assets are owned by the Company, unless stated as taken on lease.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

| Note 4 - Right of use asset | | |
|---|----------------------|----------------------|
| The company recognises right-of-use assets initially at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The movement of right to use of the asset during the year is shown below: | | |
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Right of use asset (ROU) at the beginning of year | 16,960.46 | 5,073.97 |
| Add: Deferred rental regrouped to ROU | - | 166.95 |
| Add: ROU - new lease | 12,816.55 | 17,944.66 |
| Less: Amortised during the year | 2,689.19 | 3,844.47 |
| Less: Impact of Lease modification | - | 2,380.64 |
| Right of use asset at the end | 27,087.82 | 16,960.46 |

| Note 5 - Intangibles under development | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Intangibles under development | 10,815.46 | 16,730.04 |
| Total | 10,815.46 | 16,730.04 |

5 (i) Intangibles under development ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

| Particulars | Intangible asset under development for a period of | | | | Total |
|--------------------------------|--|----------|----------|-------------------|-------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | |
| Projects in progress | 10,815.46 | - | - | - | 10,815.46 |
| Projects temporarily suspended | (16,730.04) | (-) | (-) | (-) | (16,730.04) |
| | (-) | (-) | (-) | (-) | (-) |

(Previous year figures are given in brackets)

5 (ii) The completion of Intangible assets under development whose completion is overdue or has exceeded its cost compared to original plan - Nil

| Note 6 - Investments | | |
|--|----------------------|----------------------|
| Particulars | Non-current | |
| | As at March 31, 2022 | As at March 31, 2021 |
| Other investments - At amortised cost | | |
| Unquoted investment in Government securities | | |
| National savings certificates | 50.00 | 50.00 |
| Aggregate amount of unquoted investment | 50.00 | 50.00 |

| Note 7 - Other financial assets | | |
|--|----------------------|----------------------|
| Particulars | Non-current | |
| | As at March 31, 2022 | As at March 31, 2021 |
| At amortised cost | | |
| Security deposits (Rental) | 821.34 | 602.55 |
| Electricity deposits | 331.05 | 331.04 |
| Deposit on account of demating of shares | 60.50 | 60.50 |
| Interest accrued on NSC deposits | 24.12 | 24.12 |
| Total | 1,237.01 | 1,018.21 |

| Particulars | Current | |
|--|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| At amortised cost | | |
| Unbilled revenue (Refer Note 7(i) below) | 33,556.05 | 2,124.47 |
| Interest accrued on deposit with banks | 323.66 | - |
| Others | 38.85 | - |
| Total | 33,918.56 | 2,124.47 |



Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless otherwise stated)

Note 7(i): Movement in unbilled revenue

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Opening balance | 2,124.47 | 147.24 |
| Add: Revenue recognised during the year | 33,556.05 | 2,124.47 |
| Less: Invoiced during the year | 2,124.47 | 147.24 |
| Closing balance | 33,556.05 | 2,124.47 |

Note 7A: Movement in unearned income

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Opening balance | 1,582.14 | 182.40 |
| Less: Revenue recognised during the year | 1,582.14 | 182.40 |
| Add: Invoiced during the year but not recognized as revenue | 4,187.52 | 1,582.14 |
| Closing balance | 4,187.52 | 1,582.14 |

Note 8 - Deferred tax asset (Net)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Net deferred tax asset at the beginning | 2,942.89 | 2,821.85 |
| Credit / (charge) relating to temporary differences : | | |
| Recognised in Statement of Profit or loss | | |
| - Impact of difference between tax depreciation and amortization expenses in Property, plant and equipment, Right of use asset (net of liabilities) | 1,530.50 | 511.66 |
| - Impact of expenditure charged to the statement of profit and loss in the current year but not allowed for tax purposes | (124.93) | (174.13) |
| - Effect of Ind AS adjustments | 275.62 | (437.76) |
| Recognised in Other Comprehensive Income | | |
| - Remeasurement gain / (loss) on defined benefit plan | 377.27 | 221.27 |
| Net deferred tax asset at the end of the year | 5,001.36 | 2,942.89 |

Note 8A - Income tax assets (Net)

| Particulars | Non-current | |
|-------------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Advance Income tax | 19,781.44 | 7,076.91 |
| Less: Provision for tax | (18,155.00) | (7,008.00) |
| Total | 1,626.44 | 68.91 |

Note 8B - Current tax assets (Net)

| Particulars | Current | |
|-------------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Advance Income tax | 10,637.94 | 12,704.53 |
| Less: Provision for tax | (6,658.20) | (11,147.00) |
| Total | 3,979.74 | 1,557.53 |

Note 9- Other non-current assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------|----------------------|----------------------|
| Prepaid expenses | 16,311.00 | 24,073.11 |
| Total | 16,311.00 | 24,073.11 |



Manappuram Comptech and Consultants Limited
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(All amounts are in Rs. Thousands unless other wise stated)

| Note 10- Trade receivables | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| a) Trade Receivables considered good – Secured; | - | - |
| (b) Trade Receivables considered good – Unsecured; | 42,529.86 | 22,812.85 |
| (c) Trade Receivables which have significant increase in Credit Risk | - | - |
| (d) Trade Receivables – credit impaired. | - | - |
| Allowance for bad and doubtful debts | - | - |
| Total | 42,529.86 | 22,812.85 |

Note 1: Trade receivables from related parties (Refer Note 36 - Related party disclosures)

Note 2: The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue from revenue contracts are recognised at a point in time when the company transfers control over the product to the customer.

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|---|------------------------------------|-----------------|-----------------|--------------------------|--|
| | | Less than 6 months | 6 months - 1 year | 1-2 Year | 2-3 Year | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 23,486.57 <i>(17,503.02)</i> | 16,093.29 <i>(5,207.17)</i> | 2,950.00 <i>(102.66)</i> | - <i>(-)</i> | - <i>(-)</i> | - <i>(-)</i> | 42,529.86 <i>(22,812.85)</i> |
| Total | 23,486.57 <i>(17,503.02)</i> | 16,093.29 <i>(5,207.17)</i> | 2,950.00 <i>(102.66)</i> | - <i>(-)</i> | - <i>(-)</i> | - <i>(-)</i> | 42,529.86 <i>(22,812.85)</i> |

(Previous year figures are given in brackets)

| Note 11- Cash and cash equivalents | | |
|---|-----------------------------|-----------------------------|
| Cash and cash equivalents | As at March 31, 2022 | As at March 31, 2021 |
| Cash on hand | 16.54 | 6.80 |
| Balances with banks: In current accounts | 16,800.33 | 22,460.80 |
| Total | 16,816.87 | 22,467.60 |

| Note 11- Cash and cash equivalents | | |
|--|-----------------------------|-----------------------------|
| Cash and cash equivalents | As at March 31, 2022 | As at March 31, 2021 |
| Bank deposits with original maturity of more than 3 months | 22,500.00 | - |
| Total | 22,500.00 | - |

| Note 12- Other current assets | | |
|--------------------------------------|-----------------------------|-----------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Prepaid expenses | 13,430.38 | 29,970.95 |
| Advance to supplier | 2,145.95 | 337.04 |
| Total | 15,576.32 | 30,307.99 |

| Note 13 - Equity Share Capital | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Authorised share capital | | |
| 530,000 (Previous Year: 530,000) Equity shares of Rs. 100/- each | 53,000.00 | 53,000.00 |
| Issued, subscribed and paid-up capital | | |
| 527,000 (Previous Year: 527,000) Equity shares of Rs. 100/- each | 52,700.00 | 52,700.00 |
| Total Issued, subscribed and fully paid-up share capital | 52,700.00 | 52,700.00 |



13(a). Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

| Particulars | As at March 31, 2022 | |
|-----------------------------|----------------------|------------------|
| | Number | Amount |
| Equity share capital | | |
| Shares at the beginning | 527,000 | 52,700.00 |
| Add: Issued during the year | - | - |
| Shares at the end | 527,000 | 52,700.00 |

| Particulars | As at March 31, 2021 | |
|-----------------------------|----------------------|------------------|
| | Number | Amount |
| Equity share capital | | |
| Shares at the beginning | 27,000 | 2,700.00 |
| Add: Issued during the year | 500,000 | 50,000.00 |
| Shares at the end | 527,000 | 52,700.00 |

13(b). Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

13(c) Shares of the Company held by the Holding Company

| Particulars | As at March 31, 2022 | |
|----------------------------|----------------------|-----------|
| | Number of shares | Amount |
| Manappuram Finance Limited | 525,994 | 52,599.40 |

| Particulars | As at March 31, 2021 | |
|----------------------------|----------------------|-----------|
| | Number of shares | Amount |
| Manappuram Finance Limited | 525,994 | 52,599.40 |

13(d) Details of share holding more than 5% shares in the Company

| Particulars | As at March 31, 2022 | |
|----------------------------|----------------------|--------|
| | Number of shares | % |
| Manappuram Finance Limited | 525,994 | 99.81% |

| Particulars | As at March 31, 2021 | |
|----------------------------|----------------------|--------|
| | Number of shares | % |
| Manappuram Finance Limited | 525,994 | 99.81% |

Details of shareholding of Promoters

| Particulars | As at March 31, 2022 | |
|----------------------------|----------------------|---------|
| | Number of shares | % |
| Manappuram Finance Limited | 525,994 | 99.81% |
| V P Nandakumar | 1 | 0.0002% |
| Sushama Nandakumar | 1 | 0.0002% |

| Particulars | As at March 31, 2021 | |
|----------------------------|----------------------|---------|
| | Number of shares | % |
| Manappuram Finance Limited | 525,994 | 99.81% |
| V P Nandakumar | 1 | 0.0002% |
| Sushama Nandakumar | 1 | 0.0002% |

Note 14 - Other equity

| Particulars | As at March 31, 2022 | |
|--|----------------------|----------------------------|
| | Reserves and Surplus | Other comprehensive Income |
| Opening balance | 58,361.24 | (2,050.54) |
| Add/(Less): Right of use assets net of liabilities opening transition adjustment | - | - |
| Deferred tax effect on account of above transition | - | - |
| Profit for the year | 13,270.10 | - |
| Other comprehensive Income for the year | - | (1,121.62) |
| Closing balance | 71,631.34 | (3,172.16) |
| Grand Total - Reserves & Surplus and Other Comprehensive Income | 68,459.17 | |



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Manappuram Comptech and Consultants Limited
 Notes forming part of financial statements for the year ended March 31, 2022
 (All amounts are in Rs. Thousands unless other wise stated)

| Particulars | As at March 31, 2021 | |
|--|----------------------|----------------------------|
| | Reserves and Surplus | Other comprehensive income |
| Opening balance | 26,896.78 | (1,392.64) |
| Profit for the year | 31,464.46 | - |
| Other comprehensive Income for the year | - | (657.91) |
| Closing balance | 58,361.24 | (2,050.54) |
| Grand Total - Reserves & Surplus and Other Comprehensive Income | 56,310.69 | |

| Notes 15 - Lease Liabilities | | |
|--------------------------------------|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Lease liabilities (Refer note below) | 25,401.32 | 16,291.26 |
| Total | 25,401.32 | 16,291.26 |

| Note: Lease liabilities | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Lease liability at the beginning of the year | 17,404.25 | 6,068.55 |
| Add: Additions during the year | 12,758.04 | 17,944.65 |
| Add: Finance cost accrued during the period | 1,723.38 | 1,087.26 |
| Less: Income on lease modification | - | (1,017.83) |
| Less: Payment of lease liabilities | (3,280.13) | (3,386.38) |
| Less: Impact of lease modification | - | (3,292.00) |
| Less: Current lease liability | (3,204.22) | (1,112.99) |
| Balance as at end of the year | 25,401.32 | 16,291.26 |

| Notes 16 - Other financial liabilities | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Others - Deposit from related parties (Refer note 36) | 700.00 | 700.00 |
| Total | 700.00 | 700.00 |

| Notes 17 - Other non current liabilities | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Provision for Gratuity | 5,685.51 | 3,201.65 |
| Total | 5,685.51 | 3,201.65 |

| Notes 18 - Long-term provisions | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Provision for employee benefits ; Leave encashment | 1,666.48 | 3,139.99 |
| Total | 1,666.48 | 3,139.99 |

| Notes 19 - Other current financial liabilities | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Lease Liability | 3,204.22 | 1,112.99 |
| Total | 3,204.22 | 1,112.99 |



Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless otherwise stated)

| Note 20 - Trade payables | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Dues of micro enterprises and small enterprises | 219.24 | 309.40 |
| Dues of creditors other than micro enterprises and small enterprises | 91,489.36 | 34,411.08 |
| Total | 91,708.60 | 34,720.48 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 219.24 | 309.40 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The 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 MSMED Act | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | - | - |

Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-------------------------------|---------------------------------|--|---------------------------|-----------------|-------------------|---------------------------------|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) Outstanding dues to MSMSE | 219.24 (309.40) | - (-) | - (-) | - (-) | - (-) | 219.24 (309.40) |
| (ii) Others | 60,676.82 (31,164.97) | 30,276.03 (3,111.51) | 536.50 (134.60) | - (-) | - (-) | 91,489.36 (34,411.08) |
| Total | 60,896.06 (31,474.37) | 30,276.03 (3,111.51) | 536.50 (134.60) | - (-) | - (-) | 91,708.60 (34,720.48) |

(Previous year figures are given in brackets)

| Notes 21 - Other current financial liabilities | | |
|--|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Director's Commission payable | 2,933.60 | 3,202.50 |
| Total | 2,933.60 | 3,202.50 |

| Note 22 - Other current liabilities | | |
|-------------------------------------|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Statutory dues payable | 9,462.08 | 5,345.56 |
| Total | 9,462.08 | 5,345.56 |

| Note 23 - Short term provisions | | |
|---|----------------------|----------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Provision for employee benefits : Leave encashment | 252.54 | 260.38 |
| Total | 252.54 | 260.38 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless otherwise stated)

| Note 24 - Revenue from operations | | |
|--|--------------------------------------|--------------------------------------|
| Disaggregate revenue disclosure: | | |
| The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected. Accordingly, the disaggregation by type of services and goods is provided in the below table. | | |
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Revenue by IT services and products | | |
| (a) Service income: | | |
| Fee received for: | | |
| IT services | 72,918.38 | 49,308.40 |
| IP camera monitoring | 2,945.25 | 2,956.64 |
| VSDM Income | 3,134.32 | 3,332.00 |
| Cloud Service | 154,650.00 | 106,000.00 |
| (b) Sale of IT products | 51,507.13 | 45,717.03 |
| Revenue by Non-IT services | | |
| (a) Service income | | |
| Fee received for: | | |
| Taxation services | 6,038.90 | 5,789.99 |
| Management audit | 7,829.71 | 7,343.63 |
| Legal services | 349.70 | 1,190.48 |
| Post disbursement audit | 1,009.80 | 945.45 |
| Other services | 3,825.90 | 2,237.91 |
| Total | 304,209.09 | 224,821.52 |

Note: The revenue from operations is earned in India.

Revenue from contracts with customers for sale of services are recognised over a period of time and at a point in time as follows:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Services transferred at a point in time | 51,507.13 | 45,717.03 |
| Services transferred over a period of time | 252,701.96 | 179,104.49 |
| Total | 304,209.09 | 224,821.52 |

| Note 25 - Other income | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Interest income on financial assets at amortised cost: | | |
| Deposits with bank | 377.57 | 1,004.44 |
| Income tax refund | - | 195.40 |
| Other financial assets measured at amortised cost | 37.32 | 149.83 |
| Others | 602.57 | 91.81 |
| Provisions no longer required written back | 1,846.47 | - |
| Gain of Lease Modification | - | 1,017.83 |
| Total | 2,863.93 | 2,459.30 |

| Note 26- Employee benefits expense | | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Salaries and wages, including bonus | 132,885.41 | 84,010.68 |
| Contribution to provident and other funds | 10,286.73 | 6,321.75 |
| Staff welfare expenses | 2,480.93 | 1,182.23 |
| Total | 145,653.07 | 91,514.65 |
| Less: Capitalisation cost | 32,972.01 | 30,794.43 |
| Total | 112,681.07 | 60,720.22 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

| Note 27 - Depreciation and amortisation expenses | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Depreciation of property, plant and equipment | 10,177.02 | 3,740.34 |
| Amortisation of intangible assets | 20,151.50 | 10,765.77 |
| Amortisation of right of use | 2,689.19 | 3,757.33 |
| Total | 33,017.70 | 18,263.44 |
| Less: Capitalisation cost | 3,569.37 | 3,717.01 |
| | 29,448.33 | 14,546.43 |
| Total | 29,448.33 | 14,546.43 |

| Note 28 - Finance cost | | |
|---------------------------|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Finance cost | 1,723.38 | 1,087.25 |
| Less: Capitalisation cost | 204.98 | 266.72 |
| Total | 1,518.40 | 820.54 |

| Note 29 - Other expenses | | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Rent | 137.48 | 80.93 |
| Service Rental for Disaster Recovery | 3,005.79 | 1,479.59 |
| Legal and professional fees | 1,462.71 | 1,128.72 |
| IT Consulting fee | 5,388.02 | 3,804.35 |
| License fee | 6,677.95 | 3,842.68 |
| VSDM Expense | 3,090.78 | 2,320.00 |
| Cloud Service License | 111,156.76 | 90,280.01 |
| Water and electricity charges | 595.26 | 1,412.69 |
| Travelling | 1,417.26 | 829.98 |
| Leased line charges | 2,959.62 | 1,306.31 |
| Repairs and maintenance | 648.42 | 882.59 |
| Payment to auditors (refer note (i) below) | 980.00 | 800.00 |
| Fuel expenses | 58.14 | 88.53 |
| Sitting fee | 585.00 | 685.00 |
| Cleaning charges | 740.07 | 439.90 |
| Security Charges | 190.67 | - |
| Telephone expense | 757.86 | 169.92 |
| Miscellaneous expenses | 110.54 | 98.30 |
| Training expense | 3,879.58 | 663.42 |
| Insurance | 130.97 | 138.60 |
| Rates and taxes | 96.53 | 169.09 |
| Office expenses | 508.82 | 204.85 |
| Commission to directors | 1,800.00 | 2,100.00 |
| Bank charges | 6.92 | 30.81 |
| Loss on Sale of Property, Plant and Equipment | 29.13 | - |
| Total | 146,414.28 | 112,756.27 |
| Less: Capitalisation cost | 1,236.16 | 4,274.33 |
| | 145,178.12 | 108,481.94 |
| Total | 145,178.12 | 108,481.94 |

Note (i) Payment to auditors

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Payments to the auditors comprise | | |
| (a) To statutory auditors (Exclusive of GST) | | |
| For audit | 630.00 | 500.00 |
| For Limited Review | 350.00 | 300.00 |
| Total | 980.00 | 800.00 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

| Note 30 - Tax expense | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Current tax | | |
| In respect of the current year | 6,658.20 | 11,147.00 |
| Deferred tax | (1,681.20) | 100.23 |
| Total income tax expense recognised during the year | 4,977.00 | 11,247.23 |
| The reconciliation between the provision of income tax of the Company and amounts computed by applying the statutory income tax rate to profit before taxes is as follows: | | |
| Current Tax: | | |
| Profit before tax | 18,247.10 | 42,711.69 |
| Enacted income tax rate | 25.17% | 25.17% |
| Computed expected tax expense | 4,592.80 | 10,750.53 |
| Effect of: | | |
| Items of restatement and Ind AS adjustments | 2,058.47 | 121.05 |
| Others | 6.93 | 275.42 |
| Income tax expense recognised in the Statement of Profit and Loss | 6,658.20 | 11,147.00 |
| Deferred Tax: | | |
| Relating to the origination and reversal of temporary differences | (1,681.20) | 100.23 |
| Relating to Other Comprehensive Income | 377.27 | 221.27 |
| Tax expense reported in the Statement of Profit and Loss | 5,354.27 | 11,468.50 |

| Note 31 - Earnings per share | | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Basic and Diluted Earnings per share | | |
| Profit attributable to equity shareholders | 13,270.10 | 31,464.46 |
| Weighted average number of equity shares outstanding during the year (Nos.) | 527,000 | 527,000 |
| Basic and Diluted EPS of Rs.100/- each | 25.18 | 59.70 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

| Note 32: Capitalisation cost | | |
|---|--|--|
| <p>The Company has incurred expenditure for the development of software intended for sale. The costs incurred towards the development of products are deducted from the respective administration expenses and capitalised under the head "Intangibles under Development". During the year the Company has capitalised Rs. 37,982.51 (Previous Year: Rs. 39,052.49) deducting from the respective cost heads and also amortised those assets which were developed out of these capitalisation amounting to Rs. 1,442.35 (Previous Year : Rs. 504.95). Therefore the Profit and loss shows an increase of Rs. 23,558.99 (Previous Year : Rs. 34,002.96) in the profit as the amount is transferred to Intangibles (developed) Rs. 43,897.09 (Previous Year : Rs. 19,760.33), Rs. Nil (Previous Year: Rs. 7,811.56) written off and Rs. 10,815.46 (Previous Year : Rs. 16,730.04) towards Intangibles under development in line Note 5 of the Balance Sheet. The expenses capitalised are detailed below:</p> | | |
| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Employee benefits expenses (Refer Note 26) | | |
| Salary | 28,056.85 | 26,935.99 |
| Gratuity | 1,138.16 | 617.80 |
| ESI contribution | - | 12.77 |
| Provident fund contribution | 1,666.83 | 1,491.22 |
| Leave encashment | 427.93 | 145.76 |
| Bonus | 1,682.25 | 1,590.90 |
| Subtotal | 32,972.01 | 30,794.43 |
| Other expenses (Refer Note 29) | | |
| Electricity charges | 65.22 | 735.76 |
| Leased Line Charges | 461.93 | 559.03 |
| Legal and consultancy | - | 2,273.21 |
| License & Hosting | 709.01 | 706.33 |
| Subtotal | 1,236.16 | 4,274.33 |
| Depreciation and Amortisation Expenses (Refer Note 27) | | |
| Depreciation of Property Plant and Equipment | 1,032.62 | 1,515.41 |
| Amortisation of Intangible Asset | 2,238.47 | 1,075.09 |
| Amortisation of Right to use asset | 298.28 | 1,126.51 |
| Subtotal | 3,569.37 | 3,717.01 |
| Finance Cost (Refer Note 28) | 204.98 | 266.72 |
| Total | 37,982.51 | 39,052.49 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 33 - Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. The company has defined business segments as reportable segments. The business segments comprise:

1. IT Services
2. Non-IT Services - Management services

| Particulars | March 31, 2022 | |
|-------------------|--------------------------|-----------------|
| | IT Services and products | Non-IT Services |
| Segment Expenses | 260,773.93 | 28,051.99 |
| Segment Assets | 192,966.17 | 73,394.87 |
| Segment Liability | 252,027.94 | 14,333.10 |
| Segment Revenue | 290,729.17 | 16,343.86 |
| Profit before tax | 29,955.24 | (11,708.14) |

| Particulars | March 31, 2021 | |
|-------------------|--------------------------|-----------------|
| | IT Services and products | Non-IT Services |
| Segment Expenses | 160,787.29 | 23,781.85 |
| Segment Assets | 133,144.24 | 45,423.40 |
| Segment Liability | 162,876.62 | 15,691.02 |
| Segment Revenue | 207,314.07 | 19,966.75 |
| Profit before tax | 46,526.78 | (3,815.09) |

Note 34 - Leases

(i) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(ii) Lease of Short Period (Less than 12 months)

The leases of certain premises are less than 12 months and hence are considered as short term leases. Hence, the leases of certain facilities and office premises are exempted from the scope of leases under Ind AS 116.

During the year, the Company charged off Rs.137.48 (Previous Year : Rs. 80.93) as rent expenses on short term leases.

(ii) Practical Expedient

Applied practical expedient to grandfather the assessment of which transactions are leases. Accordingly Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Non-cancellable operating lease commitments

The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

| Particulars | For the year ended March 31, 2022 |
|--|-----------------------------------|
| For a period not later than one year | 5,488.26 |
| For a period later than one year but not later than five years | 23,292.76 |
| For a period later than five years | 9,218.03 |
| | 37,999.04 |

| Particulars | For the year ended March 31, 2021 |
|--|-----------------------------------|
| For a period not later than one year | 2,608.50 |
| For a period later than one year but not later than five years | 11,362.29 |
| For a period later than five years | 11,749.30 |
| | 25,720.08 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 35 - Employee benefit plans

(a) Defined contribution plan

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Provident fund | 7,427.32 | 4,021.88 |
| Employee state insurance | 1,213.95 | 636.31 |
| Less: Aatmanirbhar Bharat Rojgar Yojana benefit received | (1,564.16) | (28.89) |
| Less: Pradhan Mantri Rojgar Protsahan Yojana benefit received | (13.34) | (148.30) |
| | 7,063.77 | 4,481.01 |

(b) Defined Benefit Plans:

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to Life Insurance Corporation of India's (LIC) Group Gratuity Fund Scheme. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary:

Reconciliation of opening and closing balances of defined benefit obligation

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Defined Benefit Obligation at beginning of the year | 15,887.83 | 13,008.26 |
| Current service cost | 3,322.67 | 2,166.79 |
| Past service cost | 30.32 | - |
| Interest cost | 1,277.50 | 1,016.73 |
| Actuarial (Gain) / Loss | 2,273.70 | 416.66 |
| Benefits paid | (2,027.31) | (533.19) |
| Defined Benefit Obligation at the year end | 20,764.72 | 16,075.24 |

Reconciliation of opening and closing balances of fair value of plan assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Fair value of Plan Assets at beginning of year | 12,873.59 | 9,448.74 |
| Opening Balance Difference (LIC) | - | 441.30 |
| Employer contributions | 3,222.96 | 3,507.71 |
| Expected Return on Plan Assets | 204.82 | 196.43 |
| Equitable Transfer Received | 30.32 | 275.12 |
| Actuarial Gain / (Loss) | 774.82 | (462.53) |
| Benefits paid | (2,027.31) | (533.19) |
| Fair value of Plan Assets at the year end | 15,079.20 | 12,873.59 |
| Net Asset / (liability) recognised in Balance sheet | (5,685.51) | (3,201.65) |

Expenses recognised during the year

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| In Income Statement | | |
| Current service cost | 3,322.67 | 2,166.79 |
| Past service cost | 30.32 | - |
| Interest on net defined benefit liability/ (asset) | 1,277.50 | 1,016.73 |
| (Gains) / losses on settlement | - | - |
| Less: Expected Return on Plan Assets | (204.82) | (196.43) |
| Net Cost | 4,425.68 | 2,987.08 |
| In Other Comprehensive Income | | |
| Actuarial (Gain) / Loss | 1,498.88 | 879.19 |
| Net (Income)/ Expense for the year recognised in OCI | 1,498.88 | 879.19 |

The current service cost and the net interest expense for the period are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Actuarial assumptions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|---|---|
| Discount rate (per annum) | 7.10% | 6.65% |
| Rate of escalation in Salary (per annum) | 6.00% | 6.00% |
| Attrition rate (per annum) | Service above 5 Years- 6 % Service Below 5 years- 6% | Service above 5 Years- 6 % Service Below 5 years- 6% |

The retirement age of employees of the Company is 60 years.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ult table.

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Discount rate | | |
| Defined benefit obligation on plus 25 basis points | 20,270.29 | 15,493.20 |
| Defined benefit obligation on minus 25 basis points | 21,279.51 | 16,299.36 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Salary escalation rate | | |
| Defined benefit obligation on plus 25 basis points | 23,943.29 | 18,319.87 |
| Defined benefit obligation on minus 25 basis points | 18,143.09 | 13,857.00 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Employee Turnover rate | | |
| Defined benefit obligation on plus 25 basis points | 21,131.16 | 15,106.83 |
| Defined benefit obligation on minus 25 basis points | 20,324.70 | 16,898.10 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity profile of defined benefit obligation

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Expected total benefit payments | | |
| Within 1 year | 1,405 | 1,532 |
| 1 year to 2 years | 1,461 | 944 |
| 2 years to 3 years | 1,794 | 982 |
| 3 years to 4 years | 1,518 | 1,253 |
| 4 years to 5 years | 1,567 | 1,019 |
| 5 years to 10 years | 8,789 | 5,114 |

The Company has unfunded policy for leave encashment and the cost of expenses on account of carried forward leave accounted in books as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Recognised in Statement of Profit and loss | (1,919.02) | 545.18 |
| Other comprehensive income | | |
| Obligation for the year | | |
| - Long-term provisions | 1,666.48 | 3,139.99 |
| - Short-term provisions | 252.54 | 260.38 |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 36 - Related party disclosures

List of related parties where control exists and also related parties with whom transactions have taken place and relationships

| | |
|---|--|
| (a) Holding Company | Manappuram Finance Limited |
| (b) Key Management Personnel (KMP) | Mr. V.P. Nandakumar - Chairman cum Director Mr. S.R. Nair - Director* Mr. Deepkumar K.R. - Managing Director* Mrs. Sushama Nandakumar - Director* CA A. K. Mohanan - Director* B.N. Raveendrababu - Director Mr. Bhavin Venugopal - Chief Financial Officer* Mr. Nithin Mohan - Company Secretary* |
| (b.1) Relative of KMP | Mrs. Devi Deepkumar |
| (c) Enterprises over which Key Managerial Personnel are able to exercise significant influence | Manappuram Health Care Limited Manappuram Jewellers Limited Manappuram Chits (Karnataka) Private Limited Manappuram Chits (India) Limited Manappuram Chit Funds Company Private Limited Maben Nidhi Limited Manappuram Construction & Consultants Limited* (Formerly known as Manappuram Construction & Properties Limited) Manappuram Asset Finance Limited Manappuram Agro Farms Limited Manappuram Insurance Brokers Limited* Manappuram Foundation* Manappuram Home Finance Limited* Asirvad Micro Finance Limited* Adlux Medicity And Convention Centre Private Limited Stallion Systems And Solutions Private Limited Mentorguru Professional Services Private Limited Prognosis Financial Planning Systems Private Limited Mukundapuram Educational and Cultural Society* Manappuram Chits Lions Co-ordination Committee of India Association Finance Industry Development Council MAFIN Enterprises Manappuram Travels DT3 Advisory Private Limited DTA Advisory Private Limited DTB Advisory Private Limited Orange Retail Finance India Private Limited SNST Advisories Private Limited Eightwe Digital Transformations Private Limited Trichur Tennis Trust Lions Club International Trichur Management Association Indian Institute of Management, Calicut Vidhya International Charitable Trust Masters Games Association (Mga) Kerala Khelo Masters Games Association Kerala Ridhvi Constructions and Interiors Private Limited AIBOT Technologies Private Limited |

* Represents parties with whom there were transactions during the year



Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 36 - Related party disclosures (contd)

Transactions with related parties during the year are set out in the table below

| Nature of transaction | Key Management Personnel (KMP) | Enterprises as defined in point (a & c) above | Total |
|---|--------------------------------|---|------------------------|
| Transactions during the year | | | |
| Remuneration paid | | | |
| Mr. Deepkumar K.R | 6,247.49 (5,865.42) | - - | 6,247.49 (5,865.42) |
| Mr. Bhavin Venugopal | 2,160.94 (1,767.82) | - - | 2,160.94 (1,767.82) |
| Mr. Nithin Mohan | 1,461.32 (1,195.60) | - - | 1,461.32 (1,195.60) |
| Sitting fees paid | | | |
| Mrs. Sushama Nandakumar | 125.00 (125.00) | - - | 125.00 (125.00) |
| Mr. S.R Nair | 230.00 (195.00) | - - | 230.00 (195.00) |
| CA A. K Mohanan | 230.00 (195.00) | - - | 230.00 (195.00) |
| Dr. Sarin P | - (170.00) | - - | - (170.00) |
| Commission | | | |
| Mr. Deepkumar K.R | 2,000.00 (1,800.00) | - - | 2,000.00 (1,800.00) |
| CA A. K Mohanan | 1,000.00 (1,000.00) | - - | 1,000.00 (1,000.00) |
| Mr. S.R Nair | 800.00 (600.00) | - - | 800.00 (600.00) |
| Dr. Sarin P | - (500.00) | - - | - (500.00) |
| Fee received for Management Audit | | | |
| Manappuram Construction & Consultants Limited | - - | 7,829.71 (7,343.63) | 7,829.71 (7,343.63) |
| Fee received for IP Camera Monitoring | | | |
| Manappuram Construction & Consultants Limited | - - | 2,945.25 (2,956.64) | 2,945.25 (2,956.64) |
| Fee received for Taxation Services | | | |
| Manappuram Foundation | - - | 840.00 (675.00) | 840.00 (675.00) |
| Manappuram Construction & Consultants Limited | - - | 4,827.17 (4,778.46) | 4,827.17 (4,778.46) |
| Manappuram Insurance Brokers Limited | - - | 300.00 (300.00) | 300.00 (300.00) |
| Mukundapuram Educational and Cultural Society | - - | 67.50 (30.00) | 67.50 (30.00) |
| Fee received for Legal Services | | | |
| Manappuram Construction & Consultants Limited | - - | 348.48 (908.82) | 348.48 (908.82) |



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 36 - Related party disclosures (contd)

| Nature of transaction | Key Management Personnel (KMP) | Enterprises as defined in point (a&c) above | Total |
|--|--------------------------------|---|-------------|
| <u>Fee received for Technical Services</u> | | | |
| Manappuram Foundation | - | 1,052.00 | 1,052.00 |
| | - | (1,582.85) | (1,582.85) |
| Manappuram Finance Limited | - | 3,314.58 | 3,314.58 |
| | - | (5,432.08) | (5,432.08) |
| Manappuram Construction & Consultants Limited | - | 1,328.05 | 1,328.05 |
| | - | (2,514.60) | (2,514.60) |
| Asirvad Micro Finance Limited | - | 38,755.00 | 38,755.00 |
| | - | (35,000.00) | (35,000.00) |
| Manappuram Insurance Brokers Limited | - | 82.50 | 82.50 |
| | - | (137.50) | (137.50) |
| Manappuram Home Finance Limited | - | 6,975.00 | 6,975.00 |
| | - | (1,050.00) | (1,050.00) |
| <u>Fee received for AMC</u> | | | |
| Manappuram Home Finance Limited | - | 75.00 | 75.00 |
| | - | (106.25) | (106.25) |
| Manappuram Construction & Consultants Limited | - | 215.33 | 215.33 |
| | - | (163.99) | (163.99) |
| Manappuram Finance Limited | - | 2,670.46 | 2,670.46 |
| | - | (1,915.70) | (1,915.70) |
| Asirvad Micro Finance Limited | - | 17,238.66 | 17,238.66 |
| | - | - | - |
| <u>Fee received for Stock Audit</u> | | | |
| Manappuram Construction & Consultants Limited | - | 44.55 | 44.55 |
| | - | (51.98) | (51.98) |
| <u>Fee received for Post Disbursement Audit</u> | | | |
| Manappuram Construction & Consultants Limited | - | 1,009.80 | 1,009.80 |
| | - | (945.45) | (945.45) |
| <u>Fee received for IT Service charges</u> | | | |
| <u>Base Service Charges</u> | | | |
| Manappuram Foundation | - | 2,800.00 | 2,800.00 |
| | - | (2,265.00) | (2,265.00) |
| Manappuram Insurance Brokers Limited | - | 900.00 | 900.00 |
| | - | (900.00) | (900.00) |
| Manappuram Construction & Consultants Limited | - | 32,724.41 | 32,724.41 |
| | - | (32,439.75) | (32,439.75) |
| <u>Monthly Usage Fee-Accounts</u> | | | |
| Manappuram Home Finance Limited | - | 3,911.36 | 3,911.36 |
| | - | (3,110.33) | (3,110.33) |
| Manappuram Construction & Consultants Limited | - | 5,124.35 | 5,124.35 |
| | - | (2,686.88) | (2,686.88) |
| Manappuram Insurance Brokers Limited | - | 258.00 | 258.00 |
| | - | (315.50) | (315.50) |
| Asirvad Micro Finance Limited | - | 18,575.05 | 18,575.05 |
| | - | (1,674.61) | (1,674.61) |
| Manappuram Foundation | - | 990.00 | 990.00 |
| | - | (108.00) | (108.00) |
| Manappuram Finance Limited | - | 6,859.20 | 6,859.20 |
| | - | (5,506.47) | (5,506.47) |



Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 36 - Related party disclosures (contd)

| Nature of transaction | Key Management Personnel (KMP) | Enterprises as defined in point (a & c) above | Total |
|---|--------------------------------|---|--------------------------|
| Monthly Usage Fee-EHRM | | | |
| Manappuram Home Finance Limited | - | 926.31 (301.85) | 926.31 (301.85) |
| Cloud Service Income | | | |
| Manappuram Finance Limited | - | 92,000.00 (40,000.00) | 92,000.00 (40,000.00) |
| Asirvad Micro Finance Limited | - | 62,650.00 (66,000.00) | 62,650.00 (66,000.00) |
| VSDM Income | | | |
| Manappuram Finance Limited | - | 3,134.32 (3,332.00) | 3,134.32 (3,332.00) |
| Lease Rental | | | |
| Manappuram Finance Limited | - | 2,352.63 (1,334.00) | 2,352.63 (1,334.00) |
| Reimbursement of expenses | | | |
| Manappuram Finance Limited | - | (303.37) (125.00) | (303.37) (125.00) |
| Balance as on balance sheet date | | | |
| Security Deposit | | | |
| Manappuram Foundation | - | 600.00 (600.00) | 600.00 (600.00) |
| Manappuram Insurance Brokers Limited | - | 100.00 (100.00) | 100.00 (100.00) |
| Sundry Receivable | | | |
| Manappuram Construction & Consultants Limited | - | 12,959.98 (8,182.73) | 12,959.98 (8,182.73) |
| Mukundappuram Education and Cultural Society | - | 53.10 (2.99) | 53.10 (2.99) |
| Manappuram Finance Limited | - | 9,646.75 (2,678.19) | 9,646.75 (2,678.19) |
| Manappuram Home Finance Limited | - | 200.71 (536.53) | 200.71 (536.53) |
| Manappuram Foundation | - | 302.08 (1,818.25) | 302.08 (1,818.25) |
| Manappuram Insurance Brokers Limited | - | (0.60) | (0.60) |
| Asirvad Micro Finance Limited | - | 19,370.74 (9,591.05) | 19,370.74 (9,591.05) |
| Remuneration Payable | | | |
| Mr. Deepkumar K.R | (124.64) | - | (124.64) |
| Mr. Bhavin Venugopal | (16.59) | - | (16.59) |
| Mr. Nithin Mohan | (20.21) | - | (20.21) |
| Commission Payable | | | |
| Mr. Deepkumar K.R | 2,000.00 (1,260.00) | - | 2,000.00 (1,260.00) |
| CA A. K Mohanan | 1,000.00 (925.00) | - | 1,000.00 (925.00) |
| Mr. S.R Nair | 800.00 (555.00) | - | 800.00 (555.00) |
| Dr. Sarin P | (462.50) | - | (462.50) |

(Previous year figures are given in brackets)

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available and relied upon by the Auditors.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.
- There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.
- No amount is/has been written off or written back during the year in respect of debts due from or to related party.
- The above transactions are compiled from the date these parties became related which are accounted in the natural head of accounts.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless otherwise stated)

Note 37 - Financial Instruments

37.1 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic expansion plans. The funding needs are met through equity, cash generated from operations.

37.2 Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2.

A. Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|--|----------------------|-------------------|--------------|----------------------|------------------|--------------|
| | Carrying value | Amortised cost | Fair value | Carrying value | Amortised cost | Fair value |
| Financial assets | | | | | | |
| Investments (unquoted) | 50.00 | - | 50.00 | 50.00 | - | 50.00 |
| Others financial assets - non current | 1,237.01 | 1,237.01 | - | 1,018.21 | 1,018.21 | - |
| Trade receivables | 42,529.86 | 42,529.86 | - | 22,812.84 | 22,812.84 | - |
| Cash and Bank balances | 16,816.87 | 16,816.87 | - | 22,467.60 | 22,467.60 | - |
| Other Bank Balances | 22,500.00 | 22,500.00 | - | - | - | - |
| Other financial assets - current | 33,918.56 | 33,918.56 | - | 2,124.47 | 2,124.47 | - |
| Total financial assets measured at amortised cost | 117,052.30 | 117,002.30 | 50.00 | 48,473.13 | 48,423.13 | 50.00 |
| Total financial assets | 117,052.30 | 117,002.30 | 50.00 | 48,473.13 | 48,423.13 | 50.00 |
| Financial liabilities | | | | | | |
| Trade payables | 91,708.60 | 91,708.60 | - | 34,720.48 | 34,720.48 | - |
| Lease liabilities | 28,605.54 | 28,605.54 | - | 17,404.25 | 17,404.25 | - |
| Other financial liabilities | 3,633.60 | 3,633.60 | - | 3,902.50 | 3,902.50 | - |
| Total financial assets measured at amortised cost | 123,947.74 | 123,947.74 | - | 56,027.23 | 56,027.23 | - |
| Total financial liabilities | 123,947.74 | 123,947.74 | - | 56,027.23 | 56,027.23 | - |

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

| Particulars | 1st April 2021 | Net Cashflows | New leases | Others | 31st March 2022 |
|--|------------------|-------------------|------------------|-----------------|------------------|
| Lease liabilities | 17,404.25 | (2,835.38) | 12,758.04 | 1,278.64 | 28,605.54 |
| Total liabilities from financing activities | 17,404.25 | (2,835.38) | 12,758.04 | 1,278.64 | 28,605.54 |

| Particulars | 1st April 2020 | Net Cashflows | New leases | Others | 31st March 2021 |
|--|-----------------|-------------------|------------------|-------------------|------------------|
| Lease liabilities | 6,068.55 | (2,984.32) | 17,944.65 | (3,624.63) | 17,404.25 |
| Total liabilities from financing activities | 6,068.55 | (2,984.32) | 17,944.65 | (3,624.63) | 17,404.25 |

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.



Note 37 - Financial instruments (contd)

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) 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 (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

37.3 - Financial risk management objective

The Company's activities expose it to a variety of financial risks. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimize potential adverse effects on its financial performance.

The Company has a robust risk management process and framework in place. This process is coordinated by the Board, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risks, credit risk and liquidity risk.

The risk management process aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

| Risk | Exposure arising from | Risk management |
|----------------|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets | Bank deposits, diversification of asset base, credit limits and collateral. |
| Liquidity risk | Trade payables and other liabilities | The company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due. |

(ii) Assets:

The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure as all the receivables are from related parties companies and the Company has no history of customer default from related parties, and considers the credit quality of trade receivables that are not past due or impaired to be good.

Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.

The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 37 - Financial Instruments (contd)

Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term expansion programmes. The Company remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Company manages liquidity risk by maintaining adequate support of facilities from its holding company, and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company's financial liability is represented significantly by trade payable and other financial Liabilities. The maturity profile of the Company's trade payables and financial Liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company except for Lease liability.

| March 31, 2022 | Less than 1 year | 1-3 year | More than 3 year | Total |
|-----------------------------|------------------|-----------------|------------------|-------------------|
| Lease Liability | 3,204.22 | 8,346.79 | 17,054.53 | 28,605.53 |
| Trade payable | 91,708.60 | - | - | 91,708.60 |
| Other financial liabilities | - | - | 700.00 | 700.00 |
| Total | 94,912.82 | 8,346.79 | 17,754.53 | 121,014.13 |
| March 31, 2021 | | | | |
| Lease Liability | 1,112.99 | 2,842.28 | 13,448.98 | 17,404.25 |
| Trade payable | 34,720.48 | - | - | 34,720.48 |
| Other financial liabilities | - | - | 700.00 | 700.00 |
| Total | 35,833.47 | 2,842.28 | 14,148.98 | 35,420.48 |

37.4 Fair Value Measurement

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

B. Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.



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Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless other wise stated)

Note 37 - Financial Instruments (contd)

C. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial Instruments recorded at fair value by level of the fair value hierarchy:

| Particulars | March 31, 2022 | | | | March 31, 2021 | | | |
|---------------------------------------|----------------|---------|--------------|--------------|----------------|---------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at cost | | | | | | | | |
| Unquoted equity investments | - | - | 50.00 | 50.00 | - | - | 50.00 | 50.00 |
| Others financial assets - non current | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | - | - | - | - | - | - |
| Cash and Bank balances | - | - | - | - | - | - | - | - |
| Other Bank balances | - | - | - | - | - | - | - | - |
| Others financial assets - current | - | - | - | - | - | - | - | - |
| Financial assets | - | - | 50.00 | 50.00 | - | - | 50.00 | 50.00 |
| Financial liabilities | - | - | - | - | - | - | - | - |



Manappuram Comptech and Consultants Limited
Notes forming part of financial statements for the year ended March 31, 2022
(All amounts are in Rs. Thousands unless otherwise stated)

Note 38. Additional Regulatory Information

- (a) The Company does not have any transactions with Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (b) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (c) The Company does not have any loans from banks/financial institutions and has not been declared as a willful defaulter by any bank/financial institution as of the date of approval of these financial statements.
- (d) There are no charges or satisfaction yet to be registered with the ROC beyond the statutory period.
- (e) The Company has not advanced or loaned or invested funds to any other persons or entities with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or behalf of the Company or have provided guarantee, security or the like to or behalf of the Company.
- (f) The Company has not received any fund from any persons or entities including foreign entities (funding party) with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or behalf of the Funding Party or have provided guarantee, security or the like to or behalf of the Ultimate Beneficiaries.
- (g) No Schemes of Arrangements have been applied or approved by the Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.
- (h) The Company does not have any subsidiaries and hence it is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (i) The Company does not have any income not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (j) Provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company during the year
- (k) The Company does not hold any benami property. No proceedings have been initiated or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder as of the date of approval of these financial statements.

Note 39. Key Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

| Particulars | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Variance | Reason |
|-----------------------------------|---|-----------------------------|----------------|----------------|------------|--|
| Current Ratio | Current Assets | Current Liabilities | 1.21 | 1.71 | -29.39% | Decrease is on account of increase in trade payables as compared to previous year |
| Debt – Equity Ratio | Total Debts (Represent Lease Liabilities) | Shareholder's Equity | 0.24 | 0.16 | 47.88% | Increase is on account of new leases added during the year. |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | 1.47 | 1.59 | -7.67% | |
| Return on Equity (ROE) | Net Profit after taxes | Average Shareholders equity | 11.53% | 33.61% | -65.70% | Decrease is on account of higher depreciation and amortisation expenses compared to last year, thereby reduction in profitability. |
| Trade receivables turnover ratio | Revenue | Average Trade Receivable | 9.31 | 9.21 | 1.14% | |
| Trade payables turnover ratio | Net Credit Purchase | Average Trade Payables | 1.86 | 6.88 | -72.91% | Decrease is on account of higher purchases during the current year. |
| Net capital turnover ratio | Revenue | Working Capital | 12.91 | 6.80 | 89.69% | Increase is on account of efficient use of working capital as compared to previous year. |
| Net profit ratio | Net Profit | Revenue | 4.36% | 14.00% | -68.83% | Increase in operational revenue is less as compared to increase in operational expenses during the year |
| Return on capital employed (ROCE) | Earnings before interest and taxes | Capital Employed* | 34.85% | 70.70% | -50.71% | Decrease is on account of higher depreciation and amortisation expenses compared to last year, thereby reduction in profitability. |
| Return on investment | Earnings per share | Par value per share | 25.18% | 59.70% | -58% | Decrease is on account of higher depreciation and amortisation expenses compared to last year, thereby reduction in profitability. |

* Tangible Net Worth + Total Debt + Deferred Tax Liability



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Manappuram Comptech and Consultants Limited

Notes forming part of financial statements for the year ended March 31, 2022

(All amounts are in Rs. Thousands unless other wise stated)

Note 40 - The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Note 41 - Approval of financial statements


The financial statements were approved for issue by the Board of Directors on May 10, 2022.

For and on behalf of the Board of Directors

V.P.Nandakumar
(Chairman)
(DIN:00044512)


Bhavin Verugopal
(Chief Financial Officer)

Place: Thrissur
Date: May 10, 2022


Deepkumar K.R
(Managing Director)
(DIN:05348065)


Nithin Mohan
(Company Secretary)

