MANAPPURAM COMPTECH

AND

CONSULTANTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

Manappuram Comptech And Consultants Limited
Balance Sheet as at March 31, 2021

PARTICULARS	Note No	As at March 31,2021	As at March 31,2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3A	6,300,363	4,951,884
(b) Right of use assets	4	16,960,463	5,073,968
(c) Other intangible assets	3B	31,153,220	21,790,384
(d) Intangibles under development	5	16,730,039	5,249,340
(e) Financial assets			
(i) Investments	6	50,000	50,000
(ii) Others	7	1,018,213	24,480,753
(f) Deferred tax assets (Net)	8	2,942,892	2,821,848
Total non-current assets		**75,155,190**	**64,418,177**
2 Current assets			
(a) Financial assets			
(i) Trade receivables	9	22,812,844	26,028,764
(ii) Cash and cash equivalents	10	22,467,602	8,281,041
(iii) Others	7	2,124,474	147,240
(b) Non financial assets			
(i) Current tax assets (Net)		1,626,436	4,113,848
(ii) Other current assets	11	54,381,101	3,323,383
Total current assets		**103,412,457**	**41,894,276**
Total assets		**178,567,647**	**106,312,453**
EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity share capital	12	52,700,000	52,700,000
(b) Other equity	13	56,310,688	25,504,143
Total equity		**109,010,688**	**78,204,143**
II LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities	14	16,991,261	6,168,557
(b) Other non-current liability	15	3,201,653	3,559,514
(c) Long-term provisions	16	3,139,989	2,631,804
Total non-current liabilities		**23,332,903**	**12,359,875**
2 Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
- Dues of micro enterprises and small enterprises		309,400	-
- Dues of creditors other than micro enterprises and small enterprises		34,411,077	6,140,513
(ii) Others	18	4,315,496	4,746,677
(b) Unearned income	7	1,582,140	182,400
(c) Short-term provisions	19	260,379	223,385
(d) Other current liabilities	20	5,345,564	4,455,460
(e) Current tax liabilities(Net)			-
Total current liabilities		**46,224,056**	**15,748,435**
Total equity and liabilities (I + II)		**178,567,647**	**106,312,453**

See accompanying notes forming part of the financial statements.

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

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

G.K. Subramaniam
Partner

Place: Mumbai
Date: 28 April, 2021

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: Thrissur
Date: 28 April, 2021

Manappuram Comptech And Consultants Limited
Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are in Indian Rupees unless other wise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	21	224,821,518	99,149,724
II Other income	22	2,459,303	2,201,094
III **Total Income (I+II)**		**227,280,821**	**101,350,818**
IV **Expenses**			
(a) Employee benefits expense	23	60,720,225	53,185,895
(b) Depreciation and amortisation expenses	24	14,546,429	6,686,732
(c) Finance cost	25	820,539	539,843
(d) Other expenses	26	108,481,940	16,856,462
Total expenses (IV)		**184,569,133**	**77,268,932**
V **Profit before tax (III-IV)**		**42,711,688**	**24,081,886**
VI **Tax expense**	27		
a) Current tax		11,147,000	7,008,000
b) Deferred tax		100,229	(618,974)
VII **Profit for the year (V-VI)**		**31,464,459**	**17,692,860**
VIII **Other comprehensive income / (loss)**			
i) Items that will not be reclassified to profit or loss			
(a) Remeasurment of post employment benefit obligation		(879,187)	(1,849,425)
(b) Income tax on (a) above		221,273	465,366
b) Items that will be reclassified to profit or loss			
Other comprehensive income / (loss) for the year		**(657,914)**	**(1,384,059)**
IX **Total comprehensive income for the year (VII+VIII)**		**30,806,545**	**16,308,801**
X **Earnings per equity share**	28		
(Face value per equity share Rs. 100/-)			
Basic		59.70	42.22
Diluted		59.70	42.22

See accompanying notes forming part of the financial statements.

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

DELOITTE HASKINS & SELLS LLP COIMBATORE-13 CHARTERED ACCOUNTANTS

G.K. Subramaniam
Partner

Place: Mumbai
Date: 28 April, 2021

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: Thrissur
Date: 28 April, 2021

Manappuram Comptech And Consultants Limited
Cash flow statement for the year ended March 31, 2021

(All amounts are in Indian Rupees unless other wise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities**		
	Net profit before tax	42,711,688	24,081,086
	Adjustments for:		
	Depreciation and amortization expenses	14,546,429	6,686,732
	Property, plant and equipment written off	-	20,308
	Finance costs	820,539	539,843
	Income on lease modification	(1,017,834)	-
	Interest income from banks and others	(1,199,835)	(1,652,760)
	Operating Profit before working capital changes	55,860,987	29,676,009
	Changes in working capital:		
	Decrease / (increase) in other financial assets	655,948	(1,582,948)
	Decrease / (increase) in Trade receivables	3,215,920	(17,907,434)
	Decrease / (increase) in non-financial assets	(51,057,718)	(2,432,375)
	Increase / (decrease) in trade payables	28,579,964	(1,675,328)
	Increase / (decrease) in provisions	(112,735)	815,229
	Increase / (decrease) in financial liabililtes	(944,176)	(14,353,323)
	Increase / (decrease) in non-current liabilities	532,243	3,902,798
	Increase / (decrease) in other non-financial liabilities	1,399,740	182,400
		(17,730,814)	(33,050,981)
	Cash generated from operations	38,130,173	(3,374,972)
	Net income tax (paid)	(8,880,862)	(2,060,081)
	Net cash flows from/(used in) operating activities (A)	29,249,311	(5,435,053)
B.	**Cash flow from investing activities**		
	Capital expenditure, including Intangibale under development	(34,107,625)	(27,688,611)
	Interest received	2,129,193	756,767
	Bank balances not considered as cash and cash equivalents	19,900,000	(19,900,000)
	Net cash flows from/(used in) investing activities (B)	(12,078,432)	(46,831,844)
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	-	50,000,000
	Payment of lease liabilities	(2,984,318)	(3,017,992)
	Net cash flows from/(used in) financing activities (C)	(2,984,318)	46,982,008
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	14,186,561	(5,284,889)
	Cash and cash equivalents at the beginning of the year	8,281,041	13,565,930
	Cash and cash equivalents at the end of the year	22,467,602	8,281,041
	Components of cash and cash equivalents comprises: (Refer Note 10)		
	Cash on hand	6,800	2,214
	Balances with banks:		
	In current accounts	22,460,802	8,278,827
	Total cash and cash equivalents	22,467,602	8,281,041

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

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 28 April, 2021

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 Office)

Nithin Mohan
(Company Secretary)

Place: Thrissur
Date: 28 April, 2021

Manappuram Comptech and Consultants Limited
Statement of Changes in Equity for the year ended March 31, 2021

(All amounts are in Indian Rupees unless other wise stated)

a. Equity share capital

Particulars	Number of shares	Amount
Balance as at April 01, 2019	27,000	2,700,000
Changes in equity share capital during the year	500,000	50,000,000
Balance as at March 31, 2020	**527,000**	**52,700,000**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**527,000**	**52,700,000**

b. Other equity

Particulars	Reserves and surplus	Other comprehensive income	Total other equity
	Retained earnings	Employee defined benefit plan	
Balance as at April 1, 2019	**10,197,994**	(8,578)	**10,189,416**
Profit after tax for the year	17,692,860	-	17,692,860
Add/(Less): Right of use assets net of liabilities opening transition adjustment	(1,328,408)	-	(1,328,408)
Deferred tax effect on account of above transition	334,334	-	334,334
Other comprehensive Income / (loss) for the year	-	(1,384,059)	(1,384,059)
Balance as at March 31, 2020	**26,896,780**	**(1,392,637)**	**25,504,143**
Profit after tax for the year	31,464,459	-	31,464,459
Other comprehensive Income / (loss) for the year	-	(657,914)	(657,914)
Balance as at March 31, 2021	**58,361,239**	**(2,050,551)**	**56,310,688**

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

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 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 Office

Nithin Mohan
(Company Secretary)

Place: Mumbai
Date: 28 April, 2021

Place: Thrissur
Date: 28 April, 2021

Manappuram Comptech and Consultants Limited
Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Indian Rupees unless other wise stated)

Note 3A - Property, plant and equipment

Description of Assets	Office equipment	Computers	Furniture and fixtures	Total property, plant and equipment
I. At cost or deemed cost				
Balance as at April 01, 2019	4,150,802	14,661,130	7,350,586	26,162,518
Additions	-	2,270,955	165,527	2,436,482
Disposals	-	406,155	-	406,155
Balance as at March 31, 2020	4,150,802	16,525,930	7,516,113	28,192,845
Additions	162,500	4,849,520	76,800	5,088,820
Balance as at March 31, 2021	4,313,302	21,375,450	7,592,913	33,281,665
II. Accumulated Depreciation				
Balance as at April 01, 2019	3,935,755	9,989,233	6,062,075	19,987,063
Charge for the year	9,031	3,171,539	459,175	3,639,745
Disposals	-	385,847	-	385,847
Balance as at March 31, 2020	3,944,786	12,774,925	6,521,250	23,240,961
Charge for the year	5,089	3,398,626	336,627	3,740,341
Balance as at March 31, 2021	3,949,875	16,173,551	6,857,877	26,981,302
Carrying value (I-II)				
Balance as at March 31, 2021	363,427	5,201,899	735,036	6,300,363
Balance as at March 31, 2020	206,016	3,751,005	994,863	4,951,884

Note 3B - Intangible assets

Description of Assets	Softwares
I. At cost or deemed cost	
Balance as at April 01, 2019	9,648,193
Additions	23,079,972
Balance as at March 31, 2020	32,728,165
Additions	20,128,606
Balance as at March 31, 2021	52,856,771
II. Accumulated Depreciation	
Balance as at April 01, 2019	9,238,636
Charge for the year	1,699,145
Balance as at March 31, 2020	10,937,781
Charge for the year	10,765,770
Balance as at March 31, 2021	21,703,551
Carrying value (I-II)	
Balance as at March 31, 2021	31,153,220
Balance as at March 31, 2020	21,790,384

Note 3C - Depreciation and Amortisation Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3A)	3,740,341	3,639,745
Less: Capitalisation	(1,515,408)	-
Amortisation of intangible assets (Refer note 3B)	10,765,770	1,699,145
Less: Capitalisation	(1,075,092)	(796,488)
Amortisation of right of use	3,757,327	2,864,205
Less: Capitalisation	(1,126,509)	(719,875)
	14,546,429	6,686,732

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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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(All amounts are in Indian Rupees unless other wise stated)

Note 4 - Right of use asset

The company recognises of 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, 2021	As at March 31, 2020
Right of use asset (ROU) at the beginning of year	5,073,968	5,321,297
Add: Defered rental regrouped to ROU	166,947	425,134
Add: Additions during the year	17,944,659	2,191,742
Less: Amortised during the year	3,844,468	2,864,205
Less: Impact of lease modification	2,380,643	-
Right of use asset at the end of year	**16,960,463**	**5,073,968**

Note 5 - Intangibles under development

Particulars	As at March 31, 2021	As at March 31, 2020
Intangibles under development	16,730,039	5,249,340
Total	**16,730,039**	**5,249,340**

Note 6 - Investments

	Non-current	
Particulars	As at March 31, 2021	As at March 31, 2020
Other investments - At amortised cost		
Unquoted investment in Government securities		
National savings certificates	50,000	50,000
Aggregate amount of unquoted investment	50,000	50,000

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DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

Note 7 - Other financial assets

Particulars	Non-current	
	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Security deposits (Rental)	602,547	3,252,230
Electricity deposits	331,044	331,045
Bank deposits with original maturity exceeding 12 months	-	19,900,000
Deposit on account of demating of shares	60,500	44,000
Interest accrued on NSC deposits	24,120	24,120
Interest accrued on deposit with banks	-	929,358
Total	**1,018,211**	**24,480,753**

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Unbilled revenue (Refer Note below)	2,124,474	147,240
Total	**2,124,474**	**147,240**

Note: Movement in unbilled revenue

Particulars	As at March 31, 2021	As at March 31, 2020
Opening unbilled revenue	147,240	-
Add: Revenue recognised during the period	2,124,474	147,240
Less: Invoiced during the year	147,240	-
Closing unbilled revenue	**2,124,474**	**147,240**

Note: Movement in unearned income

Particulars	As at March 31, 2021	As at March 31, 2020
Opening unearned revenue	182,400	-
Less: Revenue recognised during the period	83,185,935	7,296,800
Add: Invoiced during the year but not recognized as revenue	84,585,675	7,479,200
Closing unearned income	**1,582,140**	**182,400**

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COIMBATORE-18
CHARTERED ACCOUNTANTS

Note 8 - Deferred tax asset (Net)		
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Net deferred tax asset at the beginning	2,821,848	1,403,174
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)	511,656	(261,064)
- Impact of expenditure charged to the statement of profit and loss in the current year but not allowed for tax purposes	(174,130)	625,107
- Effect of Ind AS adjustments	(437,755)	254,931
Recognised in Other Comprehensive Income		
- Remeasurement gain / (loss) on defined benefit plan	221,273	465,366
Retained Earnings		
- Deferred tax effect on IND AS 116 on account of transition	-	334,334
Net deferred tax asset at the end	2,942,892	2,821,848

CS CFO MD NPN

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

Note : 9 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (a) Considered good - Unsecured (Refer below notes)	22,812,844	26,028,764
Total	22,812,844	26,028,764

Note 1: Trade receivables from related parties (Refer Note No. 34 - Related party disclosures - Sundry receivables)
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 for revenue contracts are recognised at a point in time when the company transfers controls over the product to the customer.

Note : 10

Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	6,800	2,214
Balances with banks:		
In current accounts	22,460,802	8,278,827
Total	22,467,602	8,281,041

Note 11- Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	54,044,061	2,084,258
Advance payments	337,040	1,239,125
Total	54,381,101	3,323,383

CS CFO MD UPN

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Note 12 - Equity Share Capital		
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Authorised share capital 530,000 Equity shares of Rs. 100/- each	**53,000,000**	**53,000,000**
Issued, subscribed and paid-up capital 527,000 equity shares of Rs. 100/- each	52,700,000	52,700,000
Total issued, subscribed and fully paid-up share capital	52,700,000	52,700,000

12(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, 2021**	
	Number	**Amount**
Equity share capital		
Shares at the beginning	527,000	52,700,000
Add: Issued during the year	-	-
Shares at the end	**527,000**	**52,700,000**

Particulars	**As at March 31, 2020**	
	Number	**Amount**
Equity share capital		
Shares at the beginning	27,000	2,700,000
Add: Issued during the year	500,000	50,000,000
Shares at the end	**527,000**	**52,700,000**

12(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.

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

Particulars	**As at March 31, 2021**	
	Number of shares	**Amount**
Manappuram Finance Limited	525,994	52,599,400

Particulars	**As at March 31, 2020**	
	Number of shares	**Amount**
Manappuram Finance Limited	525,994	52,599,400

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

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

Particulars	**As at March 31, 2020**	
	Number of shares	**%**
Manappuram Finance Limited	525,994	99.81%

CS CFO MD VPN

Note 13 - Other equity		
Particulars	As at March 31, 2021	
Particulars	Reserves and Surplus	Other comprehensive income
Opening balance	26,896,780	(1,392,637)
Profit for the year	31,464,459	-
Other comprehensive Income for the year	-	(657,914)
Closing balance	**58,361,239**	**(2,050,551)**
Grand Total - Reserves & Surplus and Other Comprehensive Income	**56,310,688**	

	As at March 31, 2020	
Particulars	Reserves and Surplus	Other comprehensive income
Opening balance	10,197,994	(8,578)
Add/(Less): Right of use assets net of liabilities opening transition adjustment	(1,328,408)	-
Deferred tax effect on account of above transition	334,334	-
Profit for the year (net of taxes)	17,692,860	
Other comprehensive Income for the year (net of taxes)	-	(1,384,059)
Closing balance	**26,896,780**	**(1,392,637)**
Grand Total - Reserves & Surplus and Other Comprehensive Income	**25,504,143**	

Notes 14 - Non current financial liabilities		
Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer note below)	16,291,261	6,068,557
Others - Deposit from related parties (Refer note 34)	700,000	100,000
Total	**16,991,261**	**6,168,557**

Note: Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability at the beginning of the year	6,068,557	6,649,705
Add: Additions during the year	17,944,659	2,093,344
Add: Finance cost accrued during the period	1,087,255	571,860
Less: Income on lease modification	1,017,834	
Less: Payment of lease liabilities	3,386,382	3,246,352
Less: Impact of lease modification	3,291,998	-
Less: Current lease liability	1,112,996	-
Balance as at end of the year	**16,291,261**	**6,068,557**

Notes 15 - Other non current liabilities		
Particulars	As at March 31, 2021	As at March 31, 2020
Gratutity payable	3,201,653	3,559,514
Total	**3,201,653**	**3,559,514**

Notes 16 - Long-term provisions		
Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits : Leave encashment	3,139,989	2,631,804
Total	**3,139,989**	**2,631,804**

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Note 17- Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Dues of micro enterprises and small enterprises	309,400	-
Dues of creditors other than micro enterprises and small enterprises	34,411,077	6,140,513
Total	34,720,477	6,140,513

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	309,400	-
(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	-	-

Notes 18 - Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	-	1,146,677
Others	3,202,500	3,600,000
Lease Liability (Refer note below)	1,112,996	-
Total	4,315,496	4,746,677

Note 19 - Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits :		
Leave encashment	260,379	223,385
Total	260,379	223,385

Note 20 - Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable (other than income tax)	5,345,564	4,455,460
Total	5,345,564	4,455,460

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(All amounts are in Indian Rupees unless other wise stated)

Note 21 - 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, 2021	For the year ended March 31, 2020
Revenue by IT services and products		
(a) Service Income:		
Fee received for:		
IT services	49,308,399	47,339,738
IP camera monitoring	2,956,638	2,739,083
VSDM Income	3,332,000	-
Cloud Service	106,000,000	-
(b) Sale of IT products	45,717,031	33,073,690
Revenue by Non-IT services		
(a) Service income		
Fee received for:		
Taxation services	5,789,965	5,390,400
Management audit	7,343,625	6,757,995
Legal services	908,820	2,803,976
Post disbursement audit	945,450	693,000
Other services	2,519,570	351,842
Total	**224,821,518**	**99,149,724**

Note: The revenue from operations is earned in India.

Note : 22 - Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets at amortised cost:		
Deposits with bank	1,004,439	1,327,533
Income tax refund	195,396	325,227
Other financial assets measured at amortised cost	149,828	357,429
Others	91,806	190,905
Income on lease modification	1,017,834	-
Total	**2,459,303**	**2,201,094**

Note 23- Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	84,010,679	68,188,035
Contribution to provident and other funds	6,321,746	4,325,425
Staff welfare expenses	1,182,230	574,046
TOTAL	**91,514,655**	**73,087,506**
Less: Capitalisation cost	30,794,430	19,901,611
	60,720,225	**53,185,895**
Total	**60,720,225**	**53,185,895**

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Note 24 - Depreciation and amortisation expenses		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	3,740,341	3,639,745
Amortisation of intangible assets	10,765,770	1,699,145
Amortisation of right of use	3,757,327	2,864,205
TOTAL	18,263,438	8,203,095
Less: Capitalisation cost	3,717,009	1,516,363
	14,546,429	6,686,732
Total	14,546,429	6,686,732

Note 25 - Finance cost		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Finance cost	1,087,254	571,860
Less: Capitalisation cost	266,715	32,017
Total	820,539	539,843

Note : 26 Other expenses		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	1,560,522	1,182,357
Legal and professional fees	1,128,717	2,091,736
IT Consulating fee	3,804,350	2,760,756
License renewals	3,842,681	1,226,439
VSDM Expense	2,320,000	-
Cloud Service License	90,280,009	-
Water and electricity charges	1,412,686	1,637,142
Travelling	829,983	1,703,094
Leased line charges	1,306,309	1,021,192
Repairs and maintenance	682,585	512,629
Payment to auditors (refer note (i) below)	800,000	700,000
Fuel expenses	86,527	217,812
Sitting fee	685,000	795,000
Cleaning charges	439,900	280,932
Telephone expense	169,924	166,419
Miscellaneous expenses	98,301	407,969
Training expense	663,423	3,589,250
Insurance	138,600	132,672
Rates and taxes	169,092	375,507
Office expenses	204,852	348,476
Commission to directors	2,100,000	1,800,000
Bank charges	30,813	4,440
Advertisement	-	47,959
Property, plant and equipment written off	-	20,308
TOTAL	112,756,274	21,024,089
Less: Capitalisation cost	4,274,334	4,167,627
	108,481,940	16,856,462
Total	108,481,940	16,856,462

Note (i) Payment to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payments to the auditors comprise		
(a) To statutory auditors (Exclusive of GST)		
Audit	500,000	500,000
Limited Review	300,000	200,000
Total	800,000	700,000

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Note 27 - Tax expense		
Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current tax		
In respect of the current year	11,147,000	7,008,000
Deferred tax	100,229	(618,974)
Total income tax expense recognised during the year	**11,247,229**	**6,389,026**
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	42,711,688	24,081,886
Enacted income tax rate	25.17%	25.17%
Computed expected tax expense	10,750,532	6,060,929
Effect of:		
Expenses that are not deductible in determining taxable profit	-	5,100
Items of restatement and Ind AS adjustments	121,045	829,410
Change in enacted income tax rate	-	40,042
Others	275,423	(182,153)
Income tax expense recognised in the profit or loss	**11,147,000**	**6,753,328**
Deferred Tax:		
Relating to the origination and reversal of temporary differences	100,229	(364,044)
Relating to OCI	(221,273)	(465,366)
Tax expense reported in the Statement of Profit and Loss	**11,025,956**	**5,923,918**

Note 28 - Earnings per share		
Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Basic and Diluted EPS		
Profit attributable to equity shareholders	31,464,459	17,692,860
Weighted average number of equity shares outstanding during the year (Nos.)	527,000	419,077
Basic and Diluted EPS of INR 100/- each	**59.70**	**42.22**

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Note:29 Capitalisation cost

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 INR 3,90,52,489/- (2020 : 2,56,17,617/-) deducting from the respective cost heads. Therefore the Profit and loss shows an increase of INR 3,90,52,489/- (2020 : 2,56,17,617/-) in the profit as the amount is transferred to Intangibles (developed) INR 1,97,60,329/- (2020 : 2,03,68,278/-), written off INR 78,11,461/- (2020 : NIL) and INR 1,67,30,039/- (2020 : 52,49,340/-) towards Intangibles

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Employee benefits expenses			
Salary	(Refer Note No.23)	26,935,992	17,392,135
Gratuity	(Refer Note No.23)	617,797	547,944
ESI contribution	(Refer Note No.23)	12,767	110,259
Provident fund contribution	(Refer Note No.23)	1,491,223	678,222
Leave encashment	(Refer Note No.23)	145,755	388,860
Bonus	(Refer Note No.23)	1,590,898	784,190
Other expenses			
Rent	(Refer Note No.26)	-	37,446
Electricity charges	(Refer Note No.26)	735,760	465,788
Leased Line Charges	(Refer Note No.26)	559,034	260,375
Miscellaneous expenses	(Refer Note No.26)	-	16
Legal and consultancy	(Refer Note No.26)	2,273,207	2,760,756
License & Hosting	(Refer Note No.26)	706,332	252,996
Training Expenses	(Refer Note No.26)	-	390,250
Depreciation and Amortisation Expenses			
Depreciation of property, plant and equipment	(Refer Note No.24)	1,515,408	-
Amortisation of intangible asset	(Refer Note No.24)	1,075,093	796,468
Amortisation of Right to use asset	(Refer Note No.24)	1,126,509	719,675
Finance Cost	(Refer Note No.25)	266,715	32,017
Total		**39,052,489**	**25,617,617**

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Note 30 - Segment information

Operating segments are defined as components of an enterprise for which discrete financial inormation 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, 2021	
	IT Services and products	Non-IT Services
Segment Expenses	160,787,288	23,781,845
Segment Assets	129,737,248	44,261,070
Segment Liability	63,444,879	6,112,080
Segment Revenue	207,314,068	19,966,753
Profit before tax	46,526,780	(3,815,092)

Particulars	March 31, 2020	
	IT Services and products	Non-IT Services
Segment Expenses	59,705,205	17,563,727
Segment Assets	59,032,847	40,343,910
Segment Liability	15,895,711	7,465,922
Segment Revenue	83,152,511	18,198,307
Profit before tax	23,447,306	634,580

Note 31 - 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 term 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. 15,60,522/- as rent expenses on short term leases. (March 31, 2020 - Rs. 1,182,357/-)

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, 2021
For a period not later than one year	2,608,500
For a period later than one year but not later than five years	11,362,288
For a period later than five years	11,749,296
	25,720,084

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Particulars	For the year ended March 31, 2020
For a period not later than one year	4,862,111
For a period later than one year but not later than five years	1,639,031
For a period later than five years	-
	6,501,142

Note 32- Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the company not acknowldged as debt and other contingent liabilities	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

Note 33 - Employee benefit plans

(a) Defined contribution plan

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	4,021,884	2,918,355
Employee state insurance	636,312	368,129
Less: ABRY benefit received	(28,888)	-
Less: PMRPY benefit received	(148,300)	(364,915)
	4,481,008	2,921,569

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(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, 2021	As at March 31, 2020
Defined Benefit Obligation at beginning of the year	13,008,255	8,401,903
Current service cost	2,166,785	1,714,815
Past service cost	-	275,116
Interest cost	1,016,728	768,871
Actuarial (Gain) / Loss	416,657	1,926,037
Benefits paid	(533,185)	(78,487)
Defined Benefit Obligation at the year end	16,075,240	13,008,255

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of Plan Assets at beginning of year	9,448,741	7,429,519
Opening Balance Difference (LIC)	441,304	-
Employer contributions	3,507,710	1,220,732
Expected Return on Plan Assets	196,431	601,861
Equitable Transfer Received	275,116	275,116
Actuarial Gain / (Loss)	(462,530)	-
Benefits paid	(533,185)	(78,487)
Fair value of Plan Assets at the year end	12,873,587	9,448,741
Net Asset / (liability) recognised in Balance sheet	(3,201,653)	(3,559,514)

Expenses recognised during the year

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
In Income Statement		
Current service cost	2,166,785	1,714,815
Past service cost	-	-
Interest on net defined benefit liability / (asset)	1,016,728	768,871
(Gains) / losses on settlement	-	-
Less: Expected Return on Plan Assets	196,431	(601,861)
Net Cost	3,379,944	1,881,825
In Other Comprehensive Income		
Actuarial (Gain) / Loss	879,187	1,926,037
Net (Income)/ Expense for the year recognised in OCI	879,187	1,926,037

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.

Actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (per annum)	6.65%	6.70%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Attrition rate (per annum)	Service above 5 Years- 5 % Service Below 5 years- 15%	Service above 5 Years- 5 % Service Below 5 years- 15%

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.

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Sensitivity analysis

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

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate		
Defined benefit obligation on plus 25 basis points	15,493,197	12,687,148
Defined benefit obligation on minus 25 basis points	16,299,361	13,342,971
Salary escalation rate		
Defined benefit obligation on plus 25 basis points	18,319,867	14,725,640
Defined benefit obligation on minus 25 basis points	13,857,004	11,486,367
Employee Turnover rate		
Defined benefit obligation on plus 25 basis points	15,106,829	12,367,597
Defined benefit obligation on minus 25 basis points	16,898,098	13,833,219

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, 2021	As at March 31, 2019
Expected total benefit payments		
Within 1 year	1,531,819	833,893
1 year to 2 years	943,662	1,328,291
2 years to 3 years	982,361	811,670
3 years to 4 years	1,253,335	830,342
4 years to 5 years	1,019,198	1,020,357
5 years to 10 years	5,113,854	4,170,507

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, 2021	As at March 31, 2019
Recognised in Statement of Profit and loss	545,179	802,096
Other comprehensive income	-	(76,612)
Obligation for the year		
- Long-term provisions	3,139,989	2,631,804
- Short-term provisions	260,379	223,385

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Note 34 - 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 Dr. Sarin P - Director* (Upto 28.01.2021) 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 Ltd* (Formerly known as Manappuram Construction & Properties Ltd) Manappuram Asset Finance Limited Manappuram Agro Farms Limited Manappuram Insurance Brokers Limited* Manappuram Finance 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 Progno Financial Planning Systems Private Limited Mukundapuram Educational and Cultural Society* Manappuram Chits Lions Cordination Committee of India Association** Finance Industry Development Council MAFIN Enterprises Manappuram Travels Majo Ventures Private Limited *** 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

** The Interested director has resigned from the related party entity w.e.f 13-11-2020.

*** The Interested director through which entity has become a related party has resigned from Manappuram Comptech and Consultants Limited w.e.f 28-01-2021.

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Transactions with related parties during the year are set out in the table below
(Previous year figures are in brackets)

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	5,865,417	-	5,865,417
	(5,722,817)	-	(5,722,817)
Mr. Bhavin Venugopal	1,767,818	-	1,767,818
	(1,546,494)	-	(1,546,494)
Mr. Nithin Mohan	1,195,600	-	1,195,600
	(997,915)	-	(997,915)
Sitting fees paid			
Mr. V.P.Nandakumar	-	-	-
	-	-	-
Mrs. Sushama Nandakumar	125,000	-	125,000
	(125,000)	-	(125,000)
Mr. S.R Nair	195,000	-	195,000
	(240,000)	-	(240,000)
CA A. K Mohanan	195,000	-	195,000
	(215,000)	-	(215,000)
Dr. Sarin P	170,000	-	170,000
	(215,000)	-	(215,000)
Commission			
Mr. Deepkumar K.R	1,800,000	-	1,800,000
	(1,800,000)	-	(1,800,000)
CA A. K Mohanan	1,000,000	-	1,000,000
	(800,000)	-	(800,000)
Mr. S.R Nair	600,000	-	600,000
	(500,000)	-	(500,000)
Dr. Sarin P	500,000	-	500,000
	(500,000)	-	(500,000)

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Details of transactions during the year (contd.,)

Nature of transaction	Key Management Personnel (KMP)	Enterprises as defined in point (a&c) above	Total
Fee received for Management Audit			
Manappuram Construction & Consultants Ltd	- -	7,343,625 (6,757,995)	7,343,625 (6,757,995)
Fee received for IP Camera Monitoring			
Manappuram Construction & Consultants Ltd	- -	2,956,638 (2,739,083)	2,956,638 (2,739,083)

Nature of transaction	Key Management Personnel (KMP)	Enterprises as defined in point (a&c) above	Total
Fee received for Taxation Services			
Manappuram Foundation	- -	675,000 (150,000)	675,000 (150,000)
Manappuram Construction & Consultants Ltd	- -	4,778,455 (4,891,290)	4,778,455 (4,891,290)
Manappuram Insurance Brokers Ltd	- -	300,000 (300,000)	300,000 (300,000)
Mukundapuram Educational and Cultural Society	- -	30,000 (30,000)	30,000 (30,000)
Fee received for Legal Services			
Manappuram Finance Ltd	- -	- (732,514)	- (732,514)
Manappuram Construction & Consultants Ltd	- -	908,820 (2,071,463)	908,820 (2,071,463)
Fee received for Technical Services			
Manappuram Foundation	- -	1,582,850 (100,000)	1,582,850 (100,000)
Manappuram Finance Ltd	- -	5,432,081 (27,218,750)	5,432,081 (27,218,750)
Manappuram Construction & Consultants Ltd	- -	2,514,600 (1,649,940)	2,514,600 (1,649,940)
Asirvad Micro Finance Limited	- -	35,000,000 (1,210,000)	35,000,000 (1,210,000)
Manappuram Insurance Brokers Ltd	- -	137,500 (2,375,000)	137,500 (2,375,000)
Manappuram Home Finance Ltd	- -	1,050,000 (520,000)	1,050,000 (520,000)
Fee received for Other Services			
Fee received for AMC			
Manappuram Home Finance Ltd	- -	106,250 (37,500)	106,250 (37,500)
Manappuram Construction & Consultants Ltd	- -	163,988 (46,800)	163,988 (46,800)
Manappuram Finance Ltd	- -	1,915,698 (112,500)	1,915,698 (112,500)
Fee received for Stock Audit			
Manappuram Construction & Consultants Ltd	- -	51,975 (148,500)	51,975 (148,500)
Reimbursement of expenses			
Manappuram Finance Ltd	- -	125,000 -	125,000 -

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Nature of transaction	Key Management Personnel (KMP)	Enterprises as defined in point (a&c) above	Total
FEE FOR SECRETARIAL SERVICES			
AIBOT Technologies Private Limited	- -	- (4,000)	- (4,000)
Fee received for Post Disbursement Audit			
Manappuram Construction & Consultants Ltd	- -	945,450 (693,000)	945,450 (693,000)
Fee received for IT Service charges			
Base Service Charges			
Manappuram Foundation	- -	2,265,000 (240,000)	2,265,000 (240,000)
Manappuram Insurance Brokers Ltd	- -	900,000 (900,000)	900,000 (900,000)
Manappuram Construction & Consultants Ltd	- -	32,439,746 (34,623,155)	32,439,746 (34,623,155)
Monthly Usage Fee-Accounts			
Manappuram Home Finance Ltd	- -	3,110,334 (1,611,445)	3,110,334 (1,611,445)
Manappuram Construction & Consultants Ltd	- -	2,686,881 (1,315,545)	2,686,881 (1,315,545)
Manappuram Insurance Brokers Ltd	- -	315,500 (210,000)	315,500 (210,000)
Asirvad Micro Finance Limited	- -	1,674,610 (127,500)	1,674,610 (127,500)
Manappuram Foundation	- -	108,000 (15,000)	108,000 (15,000)
Manappuram Finance Ltd	- -	5,506,470 (2,073,461)	5,506,470 (2,073,461)
Monthly Usage Fee-EHRM			
Manappuram Home Finance Ltd	- -	301,858 (923,832)	301,858 (923,832)
FEE FOR STAFF AUGMENTATION			
Manappuram Finance Ltd	- -	- (4,145,800)	- (4,145,800)
Manappuram Insurance Brokers Ltd	-	- (160,000)	- (160,000)
CLOUD SERVICE INCOME			
Manappuram Finance Ltd	- -	40,000,000 -	40,000,000 -
Asirvad Micro Finance Limited	- -	66,000,000 -	66,000,000 -
VSDM INCOME			
Manappuram Finance Ltd	- -	3,332,000 -	3,332,000 -
Lease Rental			
Manappuram Finance Ltd		1,334,000 -	1,334,000 -
Nature of transaction	Key Management Personnel (KMP)	Enterprises as defined in point (a&c) above	Total

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Balance as on balance sheet date			
Security Deposit			
Manappuram Foundation	-	600,000	600,000
	-	-	-
Manappuarm Insurance & Brokers	-	100,000	100,000
	-	(100,000)	(100,000)
Sundry Receivable			
Manappuram Construction & Consultants Ltd	-	8,182,726	8,182,726
	-	(4,463,391)	(4,463,391)
Mukundappuram Education and Cultural Society	-	2,986	2,986
	-	(6,000)	(6,000)
Manappuram Finance Ltd	-	2,678,186	2,678,186
	-	(18,891,167)	(18,891,167)
Manappuram Home Finance Ltd	-	536,525	536,525
	-	(1,044,832)	(1,044,832)
Manappuram Foundation	-	1,818,249	1,818,249
	-	-	-
Manappuram Insurance Brokers Ltd	-	-	-
	-	(451,350)	(451,350)
Asirvad Micro Finance Limited	-	9,591,046	9,591,046
	-	(1,165,250)	(1,165,250)
Remuneration Payable			
Mr. Deepkumar K.R	124,642	-	124,642
	-	-	-
Mr. Bhavin Venugopal	16,590	-	16,590
	-	-	-
Mr. Nithin Mohan	20,206	-	20,206
	-	-	-
Commission Payable			
Mr. Deepkumar K.R	1,260,000	-	1,260,000
	(1,800,000)	-	(1,800,000)
CA A. K Mohanan	925,000	-	925,000
	(800,000)	-	(800,000)
Mr. S.R Nair	555,000	-	555,000
	(500,000)	-	(500,000)
Dr. Sarin P	462,500	-	462,500
	(500,000)	-	(500,000)

Note:

a) 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.

b) 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.

c) 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.

d) No amount is/has been written off or written back during the year in respect of debts due from or to related party.

e) 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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(All amounts are in Indian Rupees unless other wise stated)

Note 35 - Financial instruments

35.1 Capital management

The Company's capital management objectives are:

35.2 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.p.

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, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Investments (unquoted)	50,000	50,000	50,000	50,000
Others financial assets - non current	1,018,213	1,018,213	24,480,753	24,480,753
Trade receivables	22,812,844	22,812,844	26,028,764	26,028,764
Cash and Bank balances	22,467,602	22,467,602	8,281,041	8,281,041
Others financial assets - current	2,124,474	2,124,474	147,240	147,240
Total financial assets measured at amortised cost	**48,473,133**	**48,473,133**	**58,987,798**	**58,987,798**
Mandatorily measured at FVTPL				
Derivative instruments in designated hedge accounting relationships (b)	-	-	-	
Total financial assets	**48,473,133**	**48,473,133**	**58,987,798**	**58,987,798**
Financial liabilities				
Measured at amortised cost				
Trade payables	34,720,477	34,720,477	6,140,513	6,140,513
Others financial liabilities	21,306,757	21,306,757	10,915,234	10,915,234
Total financial assets measured at amortised cost	**56,027,234**	**56,027,234**	**17,055,747**	**17,055,747**
Derivative instruments in designated hedge accounting relationships (b)	-	-	-	-
Total financial liabilities	**56,027,234**	**56,027,234**	**17,055,747**	**17,055,747**

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.

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.

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)

35.3 - 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 risk management process aims to:

Risk	Exposure arising from	Risk management
Credit risk	Cash and cash equivalents, trade receivables,	Bank deposits, diversification of asset
Liquidity risk	Trade payables and other liabilities	The company consistently generated

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(ii) Assets:

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

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

March 31, 2021	Less than 1 year	1-3 year	More than 3 year	Total
Lease Liability	1,112,996	2,842,280	13,448,981	17,404,257
Trade payable	34,720,477	-	-	34,720,477
Other financial liabilities	3,202,500	-	700,000	3,902,500
Total	39,035,973	2,842,280	14,148,981	56,027,234
March 31, 2020				
Lease Liability	4,461,142	1,607,416	-	6,068,558
Trade payable	6,140,513	-	-	6,140,513
Other financial liabilities	4,746,677	-	100,000	4,846,677
Total	15,348,332	1,607,416	100,000	17,055,748

35.4 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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Notes to the financial statements for the year ended March 31, 2021

(All amounts are in Indian Rupees unless other wise stated)

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:

	March 31, 2021				March 31, 2020			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at cost								
Unquoted equity investments	-	-	50,000	50,000	-	-	50,000	50,000
Others financial assets - non current	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and Bank balances	-	-	-	-	-	-	-	-
Others financial assets - current	-	-	-	-	-	-	-	-
Financial assets	-	-	**50,000**	**50,000**	-	-	50,000	**50,000**
Financial liabilites	-	-	-	-	-	-	-	-

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Notes to the financial statements for the year ended March 31, 2021

Note 36 - Prior year comparatives

The figures of the previous year have been regrouped / reclassified, wherever necessary to conform with the current year classification.

Note 37 - Approval of financial statements

The financial statements were approved for issue by the board of directors on April 28, 2021.

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: Thrissur
Date: 28 April, 2021

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Manappuram Comptech And Consultants Limited
Notes to the financial statements for the year ended March 31, 2021

1. Corporate information

Manappuram Comptech and Consultants Limited (the "Company") was incorporated on June 01, 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 3rd Floor, Krishna Towers, TUDA Road, Aswini Junction, Thrissur, Kerala, India - 680 022.

2. Significant accounting policy

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 standalone 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 Indian Rupees (INR) except when otherwise indicated.

2.3 Summary of significant accounting policy

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 timeframe 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).

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

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 & 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 & 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.

<u>Intangible Asset:</u> 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.

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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

<u>Short term employee benefit</u>

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.

<u>Post-employment employee benefits</u>

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.

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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.

<u>Other long-term employee benefits</u>

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 outside profit or loss (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 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.

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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.

i. 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.

j. 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.

k. 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 follow:

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.

l. 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.

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m. 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.

n. 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.

o. 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.

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.

p. Financial instruments

(i) Classification of financial instruments

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

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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's 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.

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.

(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

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• 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.

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.

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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) <u>Financial liabilities:</u>

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

<u>Financial liabilities at FVTPL</u>

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.

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.

q. 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.

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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.

r. Foreign currency translation

Functional and presentational currency

The standalone 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."

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s. Other income and expenses

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

t. 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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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 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 31 March 2021, 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

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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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditor's 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, as at year end which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at year end 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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 AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

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G. K. Subramaniam
(Partner)
(Membership No. 109839)
UDIN: 21109839AAAAET3978

Place: Mumbai
Date: 28 April, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S 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 31 March 2021 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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

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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 31 March 2021, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

G. K. Subramaniam
(Partner)
(Membership No. 109839)
UDIN: 21109839AAAAET3978

Place: Mumbai
Date: 28 April, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment's.

(b) The property, plant and equipment's were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment's 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 of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

ii. To the best of our knowledge and according to the information and explanations given to us, the company is in the business of providing services and does not have any physical inventories. Accordingly reporting under clause (ii) of the Order is not applicable to the company.

iii. To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

iv. To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans hence provisions of Section 185 is not applicable, the Company has not provided any guarantee, however the Company has made investment which is within limits of Section 186 of the Act.

v. To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at 31 March 2021 and therefore, the provisions of the clause (v) of the Order is not applicable.

vi. To the best of our knowledge and according to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act in respect of the business / activities of the company.

vii. To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

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c) There are no dues of Income-tax, Sales Tax, Goods and Service Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31 March 2021 on account of disputes.

viii. To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

ix. To the best of our knowledge and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. To the best of our knowledge and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

xv. To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Act are not applicable.

xvi. To the best of our knowledge and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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G. K. Subramaniam
(Partner)
(Membership No. 109839)
UDIN: 21109839AAAAET3978

Place: Mumbai
Date: 28 April, 2021

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
MANAPPURAM COMPTECH AND CONSULTANTS LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2021 and (b) reviewed the Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2021" of **MANAPPURAM COMPTECH AND CONSULTANTS LIMITED** (the "Company"), (the "Statement"), being submitted by the Company to the Holding Company, Manappuram Finance Limited, to enable them to prepare the Consolidated Financial Results pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2021:

i. is presented in accordance with the requirements of Regulation 33 (and Regulation 52) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; to the extent applicable to the Company for the purpose of preparation of consolidated interim financial results of the holding company, Manappuram Finance Limited and

ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2021

With respect to the Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants

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of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2021 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2021 as a whole is 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 this Financial Results.

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 Annual Financial Results, 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

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detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement 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 Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results 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 Annual Financial Results.

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.

(b) Review of the Financial Results for the quarter ended March 31, 2021

We conducted our review of the Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all

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significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

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

DELOITTE HASKINS & SELLS LLP
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G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 21109839AAAAEU8120

Place: Mumbai
Date: 28 April 2021