

INDEPENDENT AUDITOR'S REPORT

To the Members of
Nilgiri Investmart Services Limited
(formerly Nilgiri Financial Consultants Limited)
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Nilgiri Investmart Services Limited (formerly Nilgiri Financial Consultants Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and other comprehensive income, its cash flows and 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 Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(g) With respect to the matter to be included in the Auditors’ Report under section 197(16) of the Act :

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any remuneration to its directors during the year ended March 31, 2022. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company, as detailed in note 24 to the Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2022.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v) The Company has not declared/paid any dividend during the year and subsequent to the year-end.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Sd/-
Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 11, 2022
UDIN: 22099719AKKSWQ7113

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Nilgiri Investmart Services Limited (formerly Nilgiri Financial Consultants Limited) for the year ended March 31, 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company does not have any property, plant and equipment. Accordingly, clause 3(i)(a)(A) of the Order is not applicable.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(b) The Company does not have any property, plant and equipment. Accordingly, clause 3(i)(b) of the Order is not applicable.

(c) The Company does not have any immovable properties. Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) The Company does not have any property, plant and equipment. Accordingly, clause 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company and accordingly, it does not hold any inventories. Thus, clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to or provided guarantees, granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to or provided guarantees, granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(b) of the Order is not applicable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans and advances in the nature of loans and hence reporting under clause 3(iii)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans and advances in the nature of loans and hence reporting under clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans and advances in the nature of loans and hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not entered into transactions in respect of loans, investments, guarantees and security, covered under section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as below:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 17526.28 thousands	Financial year 2011-2012	Hon'ble Delhi High Court

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company has not raised any funds on short-term basis during the year. Accordingly, reporting on clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiaries. Accordingly, reporting on clause 3(ix)(f) of the Order is not applicable.

(g) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(g) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions related to internal audit are not applicable to the Company. Accordingly, clauses 3(xiv) (a) and 3(xiv) (b) of the Order is not applicable.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs. 3,190.99 thousands during the financial year covered by our audit. The Company has not incurred cash losses during the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Sd/-
Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 11, 2022
UDIN: 22099719AKKSWQ7113

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Nilgiri Investmart Services Limited (formerly Nilgiri Financial Consultants Limited) for the year ended March 31, 2022

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

We have audited the internal financial controls over financial reporting of Nilgiri Investmart Services Limited (formerly Nilgiri Financial Consultants Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Sd/-
Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 11, 2022
UDIN: 22099719AKKSWQ7113

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Balance sheet as at March 31, 2022

All amounts in Rs. Thousands, unless otherwise stated

	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Current assets			
(a) Financial assets			
(i) Investments	3	88,222.13	69,391.29
(ii) Cash and cash equivalents	4	139,777.74	161,491.58
(iii) Other financial assets	5	16.10	79.73
(b) Current tax assets (net)	6	200.51	-
(c) Other current assets	7	257.47	21.78
		228,473.95	230,984.38
Total Assets		228,473.95	230,984.38
Equity and Liabilities			
Equity			
(a) Equity share capital	8	500.00	500.00
(b) Other equity	9	225,789.33	226,316.93
Total Equity		226,289.33	226,816.93
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	10	2,088.50	1,094.63
		2,088.50	1,094.63
Current liabilities			
(a) Other current liabilities	11	96.12	1,018.88
(b) Current tax liabilities (net)	12	-	2,053.94
		96.12	3,072.82
Total Equity and Liabilities		228,473.95	230,984.38
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

For and on behalf of the Board of Directors of
Nilgiri Investmart Services Limited

Sd/-
Rahul Mukhi
Partner
Membership No. 099719
New Delhi, May 11, 2022

Sd/-
Ajay Siwach
Director
DIN: 08184120
New Delhi, May 11, 2022

Sd/-
Komal Prasad Kaushik
Director
DIN: 07456655

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Statement of profit and loss for the year ended March 31, 2022
All amounts in Rs. Thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
I. Revenue from operations	13	-	1,140.22
II. Other income	14	8,152.76	12,664.78
III. Total Revenue (I+II)		8,152.76	13,805.00
IV. Expenses			
Employee benefit expenses	15	6,590.71	4,297.65
Finance costs	16	415.03	796.28
Other expenses	17	738.68	1,289.15
Total Expenses (IV)		7,744.42	6,383.08
V. Profit before exceptional items (III-IV)		408.34	7,421.92
VI. Exceptional items		-	-
VII. Profit before tax (V-VI)		408.34	7,421.92
VIII. Tax expense	18		
(1) Current tax		-	2,002.49
(2) Tax expenses in respect of earlier years		(57.92)	(111.83)
Net Current tax		(57.92)	1,890.66
(3) Deferred tax expenses		993.86	64.77
Income tax expense		935.94	1,955.43
IX. Profit/(loss) for the year (VII-VIII)		(527.60)	5,466.49
X. Other Comprehensive Income			
A. Items that will not to be reclassified to profit or loss:		-	-
B. Items that will be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
XI. Total Comprehensive Income / (Loss) for the year (IX+X)		(527.60)	5,466.49
XII. Earnings per equity share:	31		
(1) Basic (in INR)		(10.55)	109.33
(2) Diluted (in INR)		(10.55)	109.33

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

For and on behalf of the Board of Directors of
Nilgiri Investmart Services Limited

Sd/-
Rahul Mukhi
Partner
Membership No. 099719
New Delhi, May 11, 2022

Sd/-
Ajay Siwach
Director
DIN: 08184120
New Delhi, May 11, 2022

Sd/-
Komal Prasad Kaushik
Director
DIN: 07456655

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Cash Flow Statement for the year ended March 31, 2022
All amounts in Rs. Thousands, unless otherwise stated

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
A Cash flow from operating activities :		
Net Profit before tax for	408.34	7,421.92
Adjustment for:		
Profit on redemption of units of mutual funds	(4,381.52)	(12,093.98)
Unrealised (Gain) / Loss on Current Investments	(3,599.33)	153.93
Interest income on fixed deposit	(100.70)	(560.21)
Operating Profit / (Loss) before working capital changes	(7,673.21)	(5,078.34)
Changes in working capital:		
Other current liabilities	(922.76)	436.59
Trade receivables	-	1,115.18
Other non-current & current assets	(235.69)	(8.19)
Net cash generated from/(used in) from operating activities	(8,831.66)	(3,534.76)
Direct taxes refund/(paid)	(2,196.52)	(6,182.11)
Net cash generated from/(used in) operating activities	(11,028.18)	(9,716.87)
B Cash flow from investing activities		
Interest received on fixed deposit	164.33	563.24
Proceed from/(Investment in) units of mutual funds (net)	(10,849.99)	30,956.48
Net cash generated from/(used in) investing activities	(10,685.66)	31,519.72
C Cash flow from financing activities		
Net cash generated from/(used in) financing activities	-	-
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	(21,713.84)	21,802.85
E Cash and cash equivalents at the beginning of the year	161,491.58	139,688.73
F Cash and cash equivalents at the close of the year (D+E) ^[Refer Note: 4]	139,777.74	161,491.58

Summary of significant accounting policies ^[Refer Note: 2]

The accompanying notes are an integral part of the financial statements.

This is the Statement of Cash Flows referred to in our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

For and on behalf of the Board of Directors of
Nilgiri Investmart Services Limited

Sd/-
Rahul Mukhi
Partner
Membership No. 099719
New Delhi, May 11, 2022

Sd/-
Ajay Siwach
Director
DIN: 08184120
New Delhi, May 11, 2022

Sd/-
Komal Prasad Kaushik
Director
DIN: 07456655

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Statement of Changes in Equity for the year ended March 31, 2022
All amounts in Rs. Thousands, unless otherwise stated

(A) Share capital

Particulars	Equity Shares	
	Number	Amount
As at 31 March 2020	50,000	500.00
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	-	-
Changes in equity share capital during the year	-	-
As at 31 March 2021	50,000	500.00
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the current reporting year	-	-
Changes in equity share capital during the year	-	-
As at 31 March 2022	50,000	500.00

(B) Other equity

Particulars	Reserves and surplus	Other comprehensive income	Total
	Retained earnings		
Balance as at April 1, 2020	220,850.44	-	220,850.44
Profit /(loss) for the year	5,466.49	-	5,466.49
Other comprehensive income/(loss) (net of tax)	-	-	-
Balance as at March 31, 2021	226,316.93	-	226,316.93
Profit /(loss) for the year	(527.60)	-	(527.60)
Other comprehensive income/(loss) (net of tax)	-	-	-
Balance as at March 31, 2022	225,789.33	-	225,789.33

Summary of significant accounting policies (Refer Note 2)

This is the Statement of Changes in Equity referred in our report of even date.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

For and on behalf of the Board of Directors
Nilgiri Investmart Services Limited

Sd/-
Rahul Mukhi
Partner
Membership No. 099719
New Delhi, May 11, 2022

Sd/-
Ajay Siwach
Director
DIN: 08184120
New Delhi, May 11, 2022

Sd/-
Komal Prasad Kaushik
Director
DIN: 07456655

Note - 1

Corporate information:

Nilgiri Financial Consultants Limited is a limited company domiciled in India and incorporated under the provisions of Companies Act, 1956 with effect from December 14, 2005 vide registration No. U72200DL2005PLC143654. The Company is Wholly owned by Indiabulls Insurance Advisors Limited and its nominees. The Company engaged in the business of providing of all types of financial consultancy. On December 13, 2010, the Company was registered as Registered Mutual Fund Advisor (ARMFA) of Association of Mutual Funds in India (AMFI) vide ARN-81652 with registered address M-62-63, 1st Floor, Connaught Place, New Delhi – 110001, to act as an intermediary in selling Mutual Funds and has commenced such activities subsequent to obtaining the aforesaid registration.

In accordance with the provisions of Section 13 and other applicable provisions of the Companies Act 2013 members of the company at their Extraordinary General Meeting held on 30th March 2022 accorded their approval to change the name of the company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies National Capital Territory of Delhi and Haryana dated 11 April 2022 in respect of the said change. Accordingly the name of the company was changed from "Nilgiri Financial Consultants Limited" to "Nilgiri Investmart Services Limited".

Note - 2

Summary of significant accounting policies:

i) General information and statement of compliance with Ind AS

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 11 May 2022.

ii) Basis of preparation

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

iii) Use of estimates and judgements

In preparing these Ind AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its business operations and financial position, based on its review of current indicators of future economic conditions. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19. There has been no material change in the controls or processes followed in the closing of these financial statements of the Company.

iv) Revenue recognition:

Revenue is recognized upon transfer of control of services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

The Company has adopted Ind AS – 115 Revenue from contracts with customers, with effect from 1st April, 2018. Ind AS – 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS – 115 using the cumulative effect method whereby the effect of applying this standard is recognized at the date of initial application (i.e. 1st April, 2018). Accordingly, the comparative information in the Standalone Statement of Profit and Loss is not restated. Impact on adoption of Ind AS – 115 is not material.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to financial statements for the year ended March 31, 2022

All amounts in Rs. Thousands, unless otherwise stated

Note - 2

Summary of significant accounting policies:

v) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

vi) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

vii) Foreign currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

viii) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to financial statements for the year ended March 31, 2022

All amounts in Rs. Thousands, unless otherwise stated

Note - 2

Summary of significant accounting policies:

ix) Financial instruments

I. Financial assets

Initial Recognition and Measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Subsequent Measurement

Financial Assets measured at amortized cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair value through other comprehensive income: Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial Assets measures at Fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Equity instruments

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

Impairment of Financial Asset

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition

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

II Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to financial statements for the year ended March 31, 2022

All amounts in Rs. Thousands, unless otherwise stated

Note - 2

Summary of significant accounting policies:

ix) Financial instruments

Derecognition

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

x) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

xi) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

xii) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Vehicles	5 years

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

xiii) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

xiv) Impairment of Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

xv) Employee benefits

(i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to financial statements for the year ended March 31, 2022

All amounts in Rs. Thousands, unless otherwise stated

Note - 2

Summary of significant accounting policies:

xv) Employee benefits

(iii) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

xvi) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

xvii) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

xviii) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

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Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to the financial statements for the year ended March 31, 2022
All amounts in Rs. Thousands, unless otherwise stated

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Note - 3		
Investments		
Current (Unquoted, Non Trade)		
Investment at fair value through Profit and loss		
Investments in Mutual Funds		
- Indiabulls Dynamic Bond Fund Direct Plan Growth	40,970.16	39,110.01
No. of Units 32,711.420 (Previous year: 32,711.420)		
NAV Rs. 1,252.473 (Previous year: Rs. 1,195.607)		
- Indiabulls Overnight Fund Direct Plan Growth	15,703.53	-
No. of Units 14,258.639 (Previous year: Nil)		
NAV Rs. 1,101.334 (Previous year: Rs. Nil)		
-Indiabulls Short Term Fund - Direct Plan-Growth	31,548.44	30,281.28
No. of Units 16,372.323 (Previous year: 16,372.323)		
NAV Rs. 1,926.938 (Previous year: Rs. 1,849.541)		
As per Balance Sheet	<u>88,222.13</u>	<u>69,391.29</u>
	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Note - 4		
Cash and cash equivalents		
Cash on hand	2.24	2.24
Balances with banks		
- in current accounts	4,775.50	25,889.34
- in deposit accounts (original maturity less than three months)	135,000.00	135,600.00
As per Balance Sheet	<u>139,777.74</u>	<u>161,491.58</u>
	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Note - 5		
Other financial assets		
Interest accrued on fixed deposits	16.10	79.73
As per Balance Sheet	<u>16.10</u>	<u>79.73</u>

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to the financial statements for the year ended March 31, 2022

	<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
Note - 6		
Current tax assets (net)		
Income tax recoverable	200.51	-
[Net of provision for tax Rs. 2,002.49 (Previous year Rs. Nil)]		
As per Balance Sheet	<u>200.51</u>	<u>-</u>

	<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
Note - 7		
Other current assets		
(a) Advance recoverable in cash or in kind or for value to be received	254.41	12.70
(b) Prepaid expenses	3.06	9.08
As per Balance Sheet	<u>257.47</u>	<u>21.78</u>

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
	No. of Shares	Amount	No. of Shares	Amount
Note - 8				
Equity share capital				
Authorised share capital				
Equity Shares of face value of Rs. 10 each	500,000	5,000.00	500,000	5,000.00
Issued equity capital				
Equity Shares of face value of Rs. 10 each fully paid up	50,000	500.00	50,000	500.00
As per Balance Sheet		<u>500.00</u>		<u>500.00</u>

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Equity Shares	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at beginning of the year	50,000	500.00	50,000	500.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at end of the year	50,000	500.00	50,000	500.00

(b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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.

Nilgiri Investmart Services Limited
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Notes to the financial statements for the year ended March 31, 2022

Note - 8 (Continued....)

Equity share capital

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding

Equity Shares of face value of Rs. 10 each fully paid up

The entire share capital is held by Indiabulls Insurance Advisors Limited ("the holding Company") and its nominees	50,000	100%	50,000	100%
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As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Details of shareholding of promoters in the Company

Shares held by promoters at the end of the year March 31, 2022			% Change during the year
Promoter Name	No. of Shares	% of total shares	
Indiabulls Insurance Advisors Limited	50,000	100%	-
Total	50,000	100%	-

Shares held by promoters at the end of the year March 31, 2021			% Change during the year
Promoter Name	No. of Shares	% of total shares	
Indiabulls Insurance Advisors Limited	50,000	100%	-
Total	50,000	100%	-

(e) Employees stock option plans: (Refer Note: 42)

Note - 9

Other equity

Description	Reserves and Surplus	Items of other comprehensive income	Total
	Retained earnings		
Balance as at April 01, 2020	220,850.44	-	220,850.44
Profit for the year	5,466.49	-	5,466.49
Other comprehensive income (net of tax)	-	-	-
Balance as at 31 March 2021	226,316.93	-	226,316.93
Profit/(loss) for the year	(527.60)	-	(527.60)
Other comprehensive income (net of tax)	-	-	-
Balance as at 31 March 2022	225,789.33	-	225,789.33

Retained earnings

Retained earnings are the accumulated profits earned by the Company till date and Actuarial gains and losses on defined benefit plans are recognised in other comprehensive income (net of taxes) , less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Nilgiri Investmart Services Limited
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Notes to the financial statements for the year ended March 31, 2022

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Note - 10		
Deferred tax liabilities (net)		
Deferred tax liabilities:		
Arising on account of temporary differences due to:		
- Fair valuation of financial instruments	2,587.07	1,681.19
	<u>2,587.07</u>	<u>1,681.19</u>
Deferred tax assets:		
Arising on account of temporary differences due to:		
- Property, plant and equipment	498.57	586.56
	<u>498.57</u>	<u>586.56</u>
As per Balance Sheet	<u><u>2,088.50</u></u>	<u><u>1,094.63</u></u>

Movement in deferred tax balances
31 March 2022

Particulars	Balance as on 1 April, 2021	Recognized in Profit and Loss	Recognized in Other comprehensive income	Balance as on 31 March, 2022
Property, plant and equipment	586.56	87.99	-	498.57
Fair valuation of financial instruments	(1,681.19)	905.88	-	(2,587.07)
Total	(1,094.63)	993.87	-	(2,088.50)

31 March 2021

Particulars	Balance as on 1 April, 2020	Recognized in Profit and Loss	Recognized in Other comprehensive income	Balance as on 31 March, 2021
Property, plant and equipment	690.07	103.51	-	586.56
Fair valuation of financial instruments	(1,719.93)	(38.74)	-	(1,681.19)
Total	(1,029.86)	64.77	-	(1,094.63)

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
Note - 11		
Other current liabilities		
Expenses payable	48.62	971.38
Statutory liabilities	47.50	47.50
As per Balance Sheet	<u><u>96.12</u></u>	<u><u>1,018.88</u></u>

Nilgiri Investmart Services Limited
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Notes to the financial statements for the year ended March 31, 2022

	<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
Note - 12		
Current tax liabilities (net)		
Provision for tax	-	2,053.94
[Net of Tax deducted as source and advance tax Rs. 18,358.71 thousands (Previous year Rs. 16,191.30 thousands)]		
As per Balance Sheet	<u>-</u>	<u>2,053.94</u>
	<u>For the year ended</u> <u>March 31, 2022</u>	<u>For the year ended</u> <u>March 31, 2021</u>
Note - 13		
Revenue from operations		
Commission and brokerage	-	1,140.22
As per Statement of Profit and Loss	<u>-</u>	<u>1,140.22</u>
	<u>For the year ended</u> <u>March 31, 2022</u>	<u>For the year ended</u> <u>March 31, 2021</u>
Note - 14		
Other income		
Interest on deposits	100.70	560.21
Profit from sale of Investments	4,381.52	12,093.98
Unrealised Gain on Current Investments	3,599.33	-
Interest on Income Tax Refund	71.21	-
Miscellaneous Income	-	10.59
As per Statement of Profit and Loss	<u>8,152.76</u>	<u>12,664.78</u>
	<u>For the year ended</u> <u>March 31, 2022</u>	<u>For the year ended</u> <u>March 31, 2021</u>
Note - 15		
Employee benefits expense		
Salaries	6,590.71	4,297.65
As per Statement of Profit and Loss	<u>6,590.71</u>	<u>4,297.65</u>
	<u>For the year ended</u> <u>March 31, 2022</u>	<u>For the year ended</u> <u>March 31, 2021</u>
Note - 16		
Finance costs		
Interest on taxes	415.03	796.28
As per Statement of Profit and Loss	<u>415.03</u>	<u>796.28</u>

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to the financial statements for the year ended March 31, 2022

Note - 17

Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	0.50	2.55
Registration Charges	0.50	3.75
Legal and professional charges	-	40.00
Communication Expenses	9.58	5.61
Unrealised Loss on Current Investments	-	153.93
Auditor's remuneration - for statutory audit	25.00	25.00
Repairs and maintenance	119.39	125.31
Corporate Social Responsibility Expenses ^(Refer foot note: 1)	582.00	933.00
Bank charges	1.71	-
As per Statement of Profit and Loss	738.68	1,289.15

1. Corporate Social Responsibility (CSR):

Particulars

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year	582.00	933.00
Amount of expenditure incurred	582.00	933.00
Shortfall at the end of the year	-	-

Nature of CSR activities:

Education Programme- Scholarship to underprivileged students	Sanitation- Kumud Sanitary pads distribution
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Note - 18

Income tax expense

Tax expense comprises of:

Current tax (including earlier years)	(57.92)	1,890.66
Less: minimum alternative tax credit entitlement (including earlier years)	-	-
Deferred tax charge/(credit)	993.86	64.77
Income tax expense reported in the statement of profit and loss	935.94	1,955.43

Reconciliation of tax expense and accounting profit multiplied by India's tax rate

Accounting profit/(loss) before tax from continuing operations	408.34	7,421.92
Accounting profit/(loss) before income tax	408.34	7,421.92

At India's statutory income tax rate	25.168%	25.168%
computed expected tax expense	102.77	1,867.95

**Tax effect of amounts to reconcile expected income tax
expense to reported income tax expense:**

Tax impact of expense which will never be allowed	250.93	199.31
Tax impact of depreciation	(87.98)	(103.51)
Tax impact of earlier years	(57.92)	(111.83)
Tax impact of (Income)/Loss taxable at the time of its realisation	(905.88)	38.74
Deferred tax impact of temporary differences	993.86	64.77
Tax effect of carry forward losses	640.16	-
Income tax expense	935.94	1,955.43

Note: 19

As per the best estimate of the management, no provision is required to be made as per Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note: 20

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2022 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.

Note: 21

The Company has not entered into any derivative instruments during the year. The Company does not have any foreign currency exposures as at March 31, 2022 (Previous year: Rs. Nil).

Note: 22

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at March 31, 2022	As at March 31, 2021
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) 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 this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note: 23

There are no borrowing costs to be capitalised as at March 31, 2022 (Previous year: Rs. Nil).

Note: 24

Contingent liabilities not provided for in respect of:

Income tax demand of Rs. 17526.28 thousands (Previous year Rs.17526.28 thousands) under section 143 (3) on income tax Act, 1961 pertaining to financial year 2011-12 on account of disallowance of bad debts under section 36 (2) of income tax Act 1961, against which appeal is pending before Hon'ble Jurisdictional High Court.

Note: 25

There are no capital and other commitments to be reported as at March 31, 2022 (Previous year: Rs. Nil).

Note: 26

Financial instruments:

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value			
Investments measured at fair value through profit or loss	3	88,222.13	69,391.29
Financial assets measured at amortised cost			
Cash and cash equivalents	4	139,777.74	161,491.58
Other financial assets	5	16.10	21.78
Total		228,015.97	230,904.65
Financial liabilities measured at amortised cost			
Total		-	-

B Fair values hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Note: 26

Financial instruments: (continued)

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Assets					
Investments at fair value through profit and loss					
Mutual Funds	March 31, 2022	88,222.13	-	-	88,222.13
	March 31, 2021	69,391.29	-	-	69,391.29

Fair value of cash and cash equivalents, trade receivables and other financial assets approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above. Valuation techniques used to determine fair values are given below:

(i) Mutual Funds: Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	139,777.74	139,777.74	161,491.58	161,491.58
Other financial assets	16.10	16.10	79.73	79.73
Total	139,793.84	139,793.84	161,571.31	161,571.31
Financial liabilities	-	-	-	-
Total	-	-	-	-

Note: 27

Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from
Credit risk	Cash and cash equivalents, investments, trade receivables and other financial assets
Liquidity risk	Financial liabilities
Market risk - security price	Investments in units of mutual funds

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets. Exposure to credit risk is mitigated through regular monitoring of collections, counterparty's creditworthiness and diversification in exposure.

Financial assets that expose the entity to credit risk*: The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalents, trade receivables and other financial assets measured at amortised cost.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Low credit risk		
Cash and cash equivalents	139,777.74	161,491.58
Other financial assets	16.10	79.73
(ii) Moderate credit risk	-	-
(iii) High credit risk	-	-

* These represent maximum exposure to credit risk in terms of gross carrying values of financial assets, without deduction for expected credit losses

Note: 27

Financial risk management: (continued)

Expected Credit Loss (ECL) on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

Trade and other receivables:

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

Cash and Cash Equivalents

The credit worthiness of such banks and financial institutions with whom cash and cash equivalents are held is evaluated by the management on an ongoing basis and is considered to be high.

Other financial assets

Other financial assets measured at amortized cost includes interest receivable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure

i) Expected credit losses for financial assets

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	139,777.74	-	139,777.74
Other financial assets	16.10	-	16.10

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	161,491.58	-	161,491.58
Other financial assets	79.73	-	79.73

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements: The Company did not have any borrowings/financing arrangements as at March 31, 2022 (Previous year Rs. Nil).

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Investments	88,222.13	-	-	-	88,222.13
Cash and cash equivalents	139,777.74	-	-	-	139,777.74
Other financial assets	16.10	-	-	-	16.10
Total undiscounted financial assets	228,015.97	-	-	-	228,015.97
Non-derivatives					
Other financial liabilities	-	-	-	-	-
Total undiscounted financial liabilities	-	-	-	-	-
Net undiscounted financial assets/(liabilities)	228,015.97	-	-	-	228,015.97

Note: 27

Financial risk management: (continued)

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Cash and cash equivalents	161,491.58	-	-	-	161,491.58
Other financial assets	79.73	-	-	-	79.73
Total undiscounted financial assets	161,571.31	-	-	-	161,571.31
Non-derivatives					
Other financial liabilities	-	-	-	-	-
Total undiscounted financial liabilities	-	-	-	-	-
Net undiscounted financial assets/(liabilities)	161,571.31	-	-	-	161,571.31

C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

a) Foreign currency risk

The Company does not have into any foreign currency denominated assets or liabilities as at March 31, 2022 and March 31, 2021. Accordingly, the Company is not exposed to foreign currency risk.

b) Interest rate risk

i) Liabilities

Interest rate risk is the risk where the Company is exposed to the risk that fair value or future cash flows of its financial instruments will fluctuate as a result of change in market interest rates. The Company does not have any financial liabilities exposed to changes in interest rates and accordingly the Company does not perceive any interest rate risk.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investments in Mutual funds and profit for the year. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds moved in line with the NAV.

Particulars	Sensitivity of Profit or (Loss)	
	March 31, 2022	March 31, 2021
NAV-Increase by 5%	92,633.24	72,860.85
NAV-Decrease by 5%	(92,633.24)	(72,860.85)

Note: 28

Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt*	-	-
Total equity	226,289.33	226,816.93
Net debt to equity ratio	-	-

* Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents.

Note: 29

Segment reporting:

Considering the nature of the Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) as per Ind AS 108 on 'Segment Reporting'. Hence, no further disclosures are required in respect of reportable segments, other than those already provided in the financial statements. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the entity and assess the performance of the operating segment of the Company. All assets of the Company are domiciled in India.

Note: 30

Related party disclosure

(a) Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures" (with whom there were transactions during the year)

The Company's principal related parties consist of its holding company, Indiabulls Housing Finance Limited and its subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Description of relationship	Names of related parties
(i) Where control exists	
Holding Company	Indiabulls Insurance Advisors Limited
Ultimate Holding Company	Indiabulls Housing Finance Limited
Fellow Subsidiary Companies (including step down subsidiaries)/ Entities under common control	Indiabulls Advisory Services Limited
	Indiabulls Asset Holding Company Limited
	Ibills Sales Limited
	Indiabulls Commercial Credit Limited# (Formerly known as Indiabulls Infrastructure credit Limited)
	Indiabulls Asset Management Mauritius (w.e.f. July 18, 2016) (Subsidiary of Indiabulls Commercial Credit Limited)
	Indiabulls Capital Services Limited
	Indiabulls Trustee Company Limited
	Indiabulls Asset Management Company Limited
	Indiabulls Investment Management Limited (Formerly known as Indiabulls Venture Capital Management Company Limited)
	Indiabulls Holdings Limited
	IBHFL Lender Repayment Trust (w.e.f. August 17, 2017)
	ICCL Lender Repayment Trust (w.e.f. April 02, 2018)
	Pragati Employee Welfare Trust (w.e.f. December 03, 2019) (Formally known as Indiabulls Housing Finance Limited - Employees Welfare Trust)
(ii) Other related parties	
Key Management Personnel	Mr. Sachin Chaudhary – Director
	Mr. Komal Prasad Kaushik – Director
	Mr. Ajay Siwach – Director

(b) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

(c) **Significant transactions with related parties: Nil**

(d) **Statement of material transactions: Nil**

(e) **Outstanding at year ended March 31, 2022 : Nil (March 31, 2021: Nil)**

Note: 31

Earnings per share:

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/(loss) for the year	(527.60)	5,466.49
Weighted average number of equity shares for computation of Basic EPS	50,000	50,000
Basic earning per share (In Rs.)	(10.55)	109.33
Weighted average number of equity shares for computation of Diluted EPS	50,000	50,000
Diluted earning per share (In Rs.)	(10.55)	109.33

Note: 32

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenue recognition. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19. There has been no material change in the controls or processes followed in the closing of these financial statements of the Company.

Note: 33

There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) during the year ended March 31, 2022 (Previous year Rs. Nil).

Note: 34

(i) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not advanced or loaned or invested any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note: 35

The Company has not taken any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2022 (Previous year Rs. Nil).

Note: 36

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender during the year (Previous year Rs. Nil).

Note: 37

The company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2022 (Previous year Rs. Nil)

Note: 38

There are no charges or satisfaction required to be registered by the Company with Registrar of Companies by the Company during the year (Previous year Rs. Nil).

Note: 39

The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (Previous year Rs. Nil).

Note: 40

The Company has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2022 (Previous year Rs. Nil).

Note: 41

Analytical Ratios :

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance %	Remarks
Current Ratio	Current Assets	Current Liabilities	237697%	7517%	3062%	Decrease in current liabilities in FY 22 resulted in increase in current ratio
Debt-Equity Ratio	Total Debt	Total Equity	-	-	-	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	-	-	
Return on Equity Ratio	Net profit/ /(loss) after tax	Average Share holder's equity	-0.23%	2.44%	-110%	Higher expenses and lower revenue in FY 22 resulted in loss in FY 22
Inventory turnover ratio	Cost of goods sold	Average value of inventory	-	-	-	
Trade Receivables turnover ratio	Net credit sales	Average trade receivables	-	-	-	
Trade payables turnover ratio	Net credit purchases	Average trade payables	-	-	-	
Net capital turnover ratio	Revenue	Average working capital	3.60%	6.16%	-42%	Lower revenue in FY 22
Net profit ratio	Net profit/ /(loss) after tax	Revenue	-6.47%	39.60%	-116%	Higher expenses and lower revenue in FY 22 resulted in loss in FY 22
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.36%	3.61%	-90%	Higher expenses and lower revenue in FY 22 resulted in loss in FY 22
Return on investment	Income generated from investments	Cost of investments	3.06%	2.55%	20%	

Note - 42

Employees Stock Options Plans of Indiabulls Housing Finance Limited (“the Ultimate Holding Company” “IHFL”):

(i) Grants During the Year:

There have been no new grants during the year.

(ii) Employee Stock Benefit Scheme 2019 (“Scheme”).

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of Indiabulls Housing Finance Limited at its meeting held on November 6, 2019; and (b) a special resolution of the shareholders’ of IHFL passed through postal ballot on December 23, 2019, result of which were declared on December 24, 2019.

This Scheme comprises:

- Indiabulls Housing Finance Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
- Indiabulls Housing Finance Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
- Indiabulls Housing Finance Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the ESOP Regulations, IHFL had set up Indiabulls Housing Finance Limited Employee Welfare Trust (Trust) for the purpose of implementation of ESOP Scheme. The Scheme is administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme

(iii) (a) The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

Particular	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-

The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

Particulars	<u>IHFL-IBFSL Employees Stock Option Plan II – 2006</u>	<u>IHFL-IBFSL Employees Stock Option – 2008</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL ESOS - 2013</u>	<u>IHFL-IBFSL Employees Stock Option – 2008 -Regrant</u>	<u>IHFL-IBFSL Employees Stock Option – 2008- Regrant</u>	<u>IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant</u>	<u>IHFL-IBFSL Employees Stock Option – 2008 - Regrant</u>	<u>IHFL-IBFSL Employees Stock Option Plan II – 2006 - Regrant</u>
Total Options under the Scheme	720,000	7,500,000	39,000,000	39,000,000	39,000,000	39,000,000	N.A.	N.A.	N.A.	N.A.	N.A.
Total Options issued under the Scheme	720,000	7,500,000	10,500,000	10,500,000	12,500,000	10,000,000	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	Ten years, 15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	Five years, 20% each year	Three years, 33.33% each year	Five years, 20% each year	N.A.	N.A.	N.A.	N.A.	N.A.
First Vesting Date	1st November, 2008	8th December, 2009	12th October, 2015	12th August, 2018	5th October, 2021	10th March, 2020	31st December, 2010	16th July, 2011	27th August, 2010	11th January, 2012	27th August, 2010
Revised Vesting Period & Percentage	Nine years, 11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	N.A.	N.A.	N.A.	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	100.00	95.95	394.75	1,156.50	200.00	702.00	125.90	158.50	95.95	153.65	100.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year (Nos.)	1,152	15,864	3,789,756	7,724,000	12,500,000	6,882,400	10,890	38,880	39,500	3,000	21,900
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	-	-	-	-	-	-	-	19,440	-	1,500	-
Exercised during the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	267	93,000	2,270,900	412,642	1,996,600	-	-	-	-	-
Re-granted during the year	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	1,152	15,597	3,696,756	5,453,100	12,087,358	4,885,800	10,890	38,880	39,500	3,000	21,900
Exercisable at the end of the year (Nos.)	1,152	15,597	3,696,756	1,817,700	-	-	10,890	38,880	39,500	3,000	21,900
Remaining contractual Life (Weighted Months)	7	27	34	56	78	83	38	45	41	51	41

N.A - Not Applicable

Note - 42

Employees Stock Options Plans of Indiabulls Housing Finance Limited (“the Ultimate Holding Company” “IHFL”):

The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL - IBFSL	IHFL - IBFSL	IHFL - IBFSL	IHFL - IBFSL	IHFL - IBFSL	IHFL - IBFSL	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL - IBFSL
Exercise price (Rs.)	125.90	158.50	95.95	100.00	153.65	95.95	394.75	1,156.50	1,200.40	702.00	200.00
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%	97.00%	46.30%	27.50%	27.70%	33.90%	39.95%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years	11 Years	5 Years	3 Years	3 Years	3 Years	2 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%	4.62%	10.00%	5.28%	5.08%	7.65%	0.00%
Weighted Average Fair Value (Rs.)	83.48	90.24	106.3	108.06	84.93	52.02	89.76	200.42	226.22	126.96	27.4
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%	6.50%	8.57%	6.51%	7.56%	7.37%	5.92%

*The expected volatility was determined based on historical volatility data.

(b) IHFL has established the “Pragati Employee Welfare Trust” (“Pragati – EWT”) (earlier known as Indiabulls Housing Finance Limited - Employees Welfare Trust” (IBH – EWT) (“Trust”) for the implementation and management of its employees benefit scheme viz. the “Indiabulls Housing

Particulars	IHFL ESOS - 2019
Total Options under the Scheme	17,000,000
Total Options issued under the Scheme	17,000,000
Vesting Period and Percentage	Three years, 33.33% each year
First Vesting Date	10th October, 2021
Exercise Price (Rs.)	First Year, Rs. 275 Second Year, Rs. 300 Th
Exercisable Period	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	17,000,000
Regrant Addition	N.A
Regrant Date	N.A
Options vested during the year (Nos.)	5,666,667
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Cancelled during the year	-
Lapsed during the year	-
Re-granted during the year	-
Outstanding at the end of the year (Nos.)	17,000,000
Exercisable at the end of the year (Nos.)	5,666,667
Remaining contractual Life (Weighted Months)	66

The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL ESOS - 2019
Exercise price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third Year
Expected volatility*	39.95%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	1 Year for first Vesting, 2 years for second Vesting and 3 years for third Vesting.
Expected Dividends yield	0.00%
Weighted Average Fair Value (Rs.)	9.25 for First Year, 13.20 for Second Year and 19.40 for third year
Risk Free Interest rate	5.92%

*The expected volatility was determined based on historical volatility data.

Nilgiri Investmart Services Limited
(Formerly known as Nilgiri Financial Consultants Limited)
Notes to financial statements for the year ended March 31, 2022
All amounts in Rs. Thousands, unless otherwise stated

Note: 43

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2022 (Previous year: Rs. Nil).

As per our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

For and on behalf of the Board of Directors of
Nilgiri Investmart Services Limited

Sd/-
Rahul Mukhi
Partner
Membership No. 099719
New Delhi, May 11, 2022

Sd/-
Ajay Siwach
Director
DIN: 08184120
New Delhi, May 11, 2022

Sd/-
Komal Prasad Kaushik
Director
DIN: 07456655