

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of NCourage Social Enterprise Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of NCourage Social Enterprise Foundation ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Income and Expenditure, the Statement of Changes in Equity and the Statement of Cash Flows for the period from 8 December 2017 to 31 March 2018, and a summary of the significant accounting policies and other explanatory information ('the financial statements').

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Independent Auditor's Report (Continued)

NCourage Social Enterprise Foundation

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system with respect to the financial statements and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the period from 8 December 2017 to 31 March 2018.

Report on Other Legal and Regulatory Requirements

1. In our opinion and according to the explanations given to us, the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the Company.
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 Income and Expenditure, the Statement of Changes in Equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account;



Independent Auditor's Report (Continued)

NCourage Social Enterprise Foundation

Report on Other Legal and Regulatory Requirements (Continued)

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules read thereunder;
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of section 143(3));
- g) 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 did not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018 and are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Vijay Mathur
Partner
Membership No: 046476

Mumbai
17 May 2018

NCourage Social Enterprise Foundation
Balance Sheet as at 31 March 2018

	Note	₹
I. ASSETS		
(1) Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	3	4,99,882
Total Current Assets		4,99,882
Total Assets		4,99,882
 II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	4	5,00,000
(b) Other equity	5	-6,018
Total equity		4,93,982
(2) Current Liabilities		
(a) Other liabilities	6	5,900
Total current liabilities		5,900
Total equity and liabilities		4,99,882

Notes forming part of financial statements

8 - 11

In terms of our audit report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Date: 17 MAY 2018
Place: MUMBAI



For and on behalf of the Board of Directors
R. Mukundan
Director

Alka Talwar
Director

Ranjeev Lodha
Director

NCourage Social Enterprise Foundation
Statement of Income and Expenditure for the period from December 8, 2017 to March 31, 2018

	Note	₹
I. Revenue From Operations		-
II. Total Income (I)		-
III. EXPENDITURE		
Other expenses	7	6,018
Total Expenditure		6,018
IV Excess of Income over Expenditure for the period (II-III)		(6,018)

Notes forming part of financial statements

8 - 11

In terms of our audit report of even date attached
 For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration No: 101248W/W - 100022

Vijay Mathur

Vijay Mathur
 Partner
 Membership No. 046476
 Date: 17 MAY 2018
 Place: MUMBAI



For and on behalf of the Board of Directors
 R. Mukundan
 Director

R. Mukundan

Alka Talwar
 Director

Alka Talwar

Ranjeev Lodha
 Director

Ranjeev Lodha

NCourage Social Enterprise Foundation
Statement of Changes in Equity for the period from December 8, 2017 to March 31, 2018

₹

A EQUITY SHARE CAPITAL

Balance as at December 7, 2017	-
Issued during the period	5,00,000
Balance as at March 31, 2018	5,00,000

B OTHER EQUITY

Retained earnings	
Balance as at December 7, 2017	-
Excess of income over expenditure	(6,018)
Balance as at March 31, 2018	(6,018)

Notes forming part of financial statements

8 - 11

In terms of our audit report of even date attached
 For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration No: 101248W/W - 100022

mathur

Vijay Mathur
 Partner
 Membership No. 046476
 Date: 17 MAY 2018
 Place: MUMBAI



For and on behalf of the Board of Directors
 R. Mukundan
 Director

[Signature]

Alka Talwar
 Director

[Signature]

Ranjeev Lodha
 Director

[Signature]

NCourage Social Enterprise Foundation

Statement of Cashflow for the period from December 8, 2017 to March 31, 2018

	₹
A CASH FLOW FROM OPERATING ACTIVITIES	
Excess of income over expenditure for the period	(6,018)
Adjustments for:	
Increase in trade payables	5,900
Cash (used in) operations	<u>(118)</u>
Taxes paid (net of refund)	-
Net cash (used in) operating activities	<u>(118)</u>
B CASH FLOW FROM INVESTING ACTIVITIES	-
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	5,00,000
Net cash generated from financing activities	<u>5,00,000</u>
Net increase in cash and cash equivalents	4,99,882
Cash and cash equivalents as at 8 December 2017	-
Cash and cash equivalents as at 31 March 2018 (note 3)	<u>4,99,882</u>

Notes forming part of financial statements

8 - 11

In terms of our audit report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 10Q022

For and on behalf of the Board of Directors
R. Mukundan
Director

Vijay Mathur
Partner
Membership No. 046476
Date: 17 MAY 2018
Place: MUMBAI



Alka Talwar
Director

Ranjeev Lodha
Director

NCourage Social Enterprise Foundation
Notes forming part of financial statements

c) Use of estimates and judgments (continued)

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of provisions and contingent liabilities.

d) Cost recognition

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

e) Financial instruments

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

f) Income Taxes

The Company is registered under Section 12AA of the Income Tax Act, 1961 which entitles it to claim an exemption from income tax, provided certain conditions laid down in the Income Tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfill these conditions.

g) Statement of cash flows

Cash flows are reported using the indirect method, whereby income / expenditure before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.



NCourage Social Enterprise Foundation **Notes forming part of financial statements**

1. CORPORATE INFORMATION

NCourage Social Enterprise Foundation (referred to as "the Company") has been incorporated on December 08, 2017 as a company registered under Section 8 of the Companies Act, 2013. The Company has been incorporated to act as a social enterprise to initiate, undertake, plan, implement, promote, aid and assist, activities directed towards enhancing the quality of life of people, without reference to caste, creed, religion, race or sex and to seek ways and means to serve society that help in solving basic human needs including water, sanitation, health & nutrition, food & agriculture, shelter, clean energy, education and skills, management of natural resources, empowerment and sustainable livelihoods.

The Company incurs expenditure by way of grants given towards objects which furthers the cause of the Company and project expenses which represent initiatives / activities undertaken by the Company.

The Company is incorporated and domiciled in India. The address of its registered office is Ground Floor, East Wing, Leela Business Park, Andheri Kurla Road, Mumbai, Maharashtra, 400059.

The Company is a wholly owned subsidiary of Tata Chemicals Limited which is a listed entity in India.

The financial statements for the period from December 8, 2017 to March 31, 2018 were approved by the Board of Directors and authorized for issue on 17 May 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements comply, in all material aspects, with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the 2013 Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b) Basis of preparation

These financial statements have been prepared on the historical cost basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

c) Use of estimates and judgments

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.



NCourage Social Enterprise Foundation
Notes to the financial statements

As at
31 March, 2018
₹

Financial Assets (Amortised cost)

Note 3: CASH AND CASH EQUIVALENTS

Balance with banks	4,99,882
Cash and cash equivalents	<u>4,99,882</u>

₹

Note 4: EQUITY SHARE CAPITAL

(a) Authorised:

50000 equity shares of Rs 10 each	5,00,000
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(b) Issued, Subscribed and Fully paid-up

50,000 equity shares of Rs 10 each	5,00,000
	<u>5,00,000</u>

i) Reconciliation of number of shares

	No. of Shares	₹
Equity Shares		
Opening balance	-	-
Issued during the year	50,000	5,00,000
Closing balance	<u>50,000</u>	<u>5,00,000</u>

ii) Rights and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 each. The shareholders of the Company do not have any right to dividend. As per clause 10 of Memorandum of Association (MoA) of the Company, in the event of winding up or dissolution of the Company, the holder of equity shares will not be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The amount remaining, if any, shall be given or transferred to such other Company having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

iii) Details of shares held by holding company and shareholders more than 5% of the aggregate shares in the Company

Equity shares	₹
Tata Chemicals Limited*	5,00,000
	100%

*includes 6 equity shares held by individuals of which beneficial ownership is held by Tata Chemicals Limited.

₹

Note 5: OTHER EQUITY

Retained earnings

(i) Opening balance	-
(ii) Excess of income over expenditure	(6,018)
	<u>(6,018)</u>

₹

Note 6: OTHER LIABILITIES

Auditors remuneration payable	5,900
	<u>5,900</u>

For the period from 8
December, 2017 to 31
March, 2018

₹

Note 7: OTHER EXPENSES

Audit fees	5,900
Bank Charges	118
	<u>6,018</u>



NCourage Social Enterprise Foundation
Notes to the financial statements

Note 8: FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(e) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

	Amortized cost	Total Carrying Value
	₹	₹
Financial Assets:		
Cash and cash equivalents	4,99,882	4,99,882
	4,99,882	4,99,882

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet contractual obligations, and arises principally from the Company's cash/bank balances. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company maintains cash and cash equivalents in banks / financial institutions that are held in banks / financial institutions that are generally highly rated. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Note 9: SEGMENT REPORTING

The Company has been incorporated under Section 8 of Companies Act, 2013 to promote Projects and / or programs, relating to Corporate Social Responsibility (CSR) in India, which in the context of Ind AS 108 Operating Segments is considered as the only reportable segment. The Company does not have any geographical segments.

Note 10: RELATED PARTY TRANSACTION

NCourage Social Enterprise Foundation principal related parties consist of its holding company Tata Chemicals Limited and its subsidiaries. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Related parties and their relationship

I) Promoter group

Tata Sons Limited

II) Holding Company

Tata Chemicals Limited

Transactions with related parties are as follows:

	Tata Chemicals Limited
Issue of 50,000 equity shares of Rs. 10 each	5,00,000
	5,00,000

Note 11: COMPARATIVES

The current period financial statements have been prepared from 8 December 2017 (date of incorporation) to 31 March 2018. Accordingly there are no prior period comparatives.

In terms of our audit report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

Vijay Mathur
Partner
Membership No. 046476
Date: 17 MAY 2018
Place: MUMBAI



For and on behalf of the Board of Directors
R. Mukundan
Director

Alka Talwar
Director

Ranjeev Lodha
Director

(Handwritten signatures of R. Mukundan, Alka Talwar, and Ranjeev Lodha)