

NCourage Social Enterprise Foundation
Balance Sheet as at 31st March 2022

	Note	As at 31-Mar-22 ₹	As at 31-Mar-21 ₹
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	412,870	1,185,838
(b) Intangible assets	4	70,360	140,720
(c) Deferred tax assets	5	-	-
Total non current assets		<u>483,230</u>	<u>1,326,558</u>
(2) Current assets			
(a) Inventories	6	7,567,917	16,703,157
(b) Financial assets			
(i) Other investments	9	29,977,328	13,816,450
(ii) Trade receivables	7	6,708,060	17,780,767
(iii) Cash and cash equivalents	8	1,192,303	5,727,604
(c) Other current assets	10	9,290,457	10,978,580
Total current assets		<u>54,736,065</u>	<u>65,006,558</u>
Total assets		<u><u>55,219,295</u></u>	<u><u>66,333,116</u></u>
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	11	25,500,000	25,500,000
(b) Other equity	12	(34,248,203)	(25,075,491)
Total equity		<u>(8,748,203)</u>	<u>424,509</u>
Liabilities			
(2) Non-current liabilities			
(a) Provisions	16	4,514,280	5,067,644
(b) Other non current liabilities	16	3,805,697	2,472,023
Total non-current liabilities		<u>8,319,977</u>	<u>7,539,667</u>
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	13		
(a) Other than MSME		20,820,120	27,095,933
(b) Amount due to micro, small and medium enterprise (MSME)		7,126,840	3,457,400
(ii) Other financial liabilities	14	15,699,093	14,305,895
(b) Other current liabilities	15	9,381,997	9,646,625
(c) Provisions	16	2,619,471	3,863,087
Total current liabilities		<u>55,647,521</u>	<u>58,368,940</u>
Total equity and liabilities		<u><u>55,219,295</u></u>	<u><u>66,333,116</u></u>

Notes forming part of financial statements

1-29

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

REKHA SHENOY
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REKHA SHENOY
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Rekha Shenoy
Partner
Membership No. 124219
Date: 19th April, 2022
Place: Mumbai

For and on behalf of the Board of Directors

R. Mukundan
Director
(DIN: 00778253)

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R. Nanda
Director
(DIN: 09406283)

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NCourage Social Enterprise Foundation
Statement of Income and Expenditure for the year ended 31st March 2022

		Year Ended 31 March, 2022	Year Ended 31 March, 2021
	Note	₹	₹
I. Revenue from operations	17	271,894,440	216,037,963
II. Other income	18	1,123,733	30,479,553
III. Total income (I+II)		273,018,173	246,517,516
IV. EXPENDITURE			
a) Purchases of stock-in-trade		187,422,810	133,684,525
b) Changes in inventories of stock-in-trade		9,135,239	11,143,023
c) Employee benefits expenses	19	39,925,681	38,806,788
d) Finance costs	20	188,838	176,102
e) Depreciation and amortisation expense	21	925,176	3,422,681
f) Other expenses	22	44,944,756	59,686,134
Total expenditure (a to f)		282,542,500	246,919,253
V Excess of expenditure over income before tax (II-III)		(9,524,327)	(401,737)
VI Tax expense			
a) Current tax		-	-
b) Deferred tax		-	-
Total tax expense (VI(a) + VI(b))		-	-
VII Income for the year (V-VI)		(9,524,327)	(401,737)
VIII Other comprehensive income (net of tax) ("OCI")			
(A) Items that will not be reclassified to the Statement of income and expenditure			
- Remeasurement of defined employee benefit plans		351,615	317,044
(B) Income tax relating to items that will not be reclassified to the Statement of income and expenditure		-	-
Total other comprehensive income (net of tax) (A-B)		351,615	317,044
IX Total comprehensive income for the year (VII+VIII)		(9,172,712)	(84,693)

Notes forming part of financial statements

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NCourage Social Enterprise Foundation
Statement of Changes in Equity for the year ended 31st March, 2022

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
A EQUITY SHARE CAPITAL		
Balance as at	25,500,000	25,500,000
Issued during the period	<u>-</u>	<u>-</u>
Balance as at	<u>25,500,000</u>	<u>25,500,000</u>
 B OTHER EQUITY		
Retained earnings		
Balance as at	(25,075,491)	(24,990,798)
Excess of expenditure over income	<u>(9,172,712)</u>	<u>(84,693)</u>
Balance as at	<u>(34,248,203)</u>	<u>(25,075,491)</u>

Notes forming part of financial statements

1-29

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Rekha Shenoy

Partner

Membership No. 124219

Date: 19th April, 2022

Place: Mumbai

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Director

(DIN: 00778253)

R. Nanda

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(DIN: 09406283)

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NCourage Social Enterprise Foundation
Statement of Cash flows for the year ended 31st March 2022

	Year ended 31 March, 2022	Year ended 31 March, 2021
	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Excess of expenditure over income for the year	(9,172,712)	(84,693)
Adjustments for:		
Depreciation and amortisation expense	925,176	3,422,681
Grant received	-	(30,000,000)
Interest Income	-	-
Finance Cost	188,838	176,102
Gain on investment	(660,878)	(472,736)
Stamp duty on investment	-	3,060
Loss on assets	-	2,723,725
Bad debts	-	-
Operating profit before working capital changes	(8,719,576)	(24,231,861)
Adjustment for:		
(Increase) / Decrease Trade receivables , other financial assets and other assets	12,760,830	(6,651,628)
(Increase) / Decrease in inventories	9,135,240	11,143,023
(Increase) / Decrease Trade Payables, other financial liabilities and other liabilities	(2,129,948)	(1,128,847)
Cash (used in) operations	11,046,546	(20,869,313)
Taxes paid (net of refund)	-	-
Net cash generated from / (used in) operating activities	11,046,546	(20,869,313)
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(81,848)	(453,894)
Purchase of investment	(301,100,000)	(249,900,000)
Proceeds from redemption of investment	285,600,000	246,700,227
Interest income	-	-
Net cash (used in) investing activities	(15,581,848)	(3,653,667)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Grant received	-	30,000,000
Net cash generated from financing activities	-	30,000,000
Net (decrease)/increase in cash and cash equivalents	(4,535,302)	5,477,020
Opening Cash and Cash equivalents	5,727,604	250,584
Closing Cash and Cash equivalents (note 8)	1,192,301	5,727,604

Notes forming part of financial statements

1-29

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R. Nanda
Director
(DIN: 09406283)

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Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

1. Corporate information

Ncourage Social Enterprise Foundation (referred to as "the Company") has been incorporated on December 08, 2017 as a public company registered under Section 8 of the Companies Act, 2013 ('the Act'). 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 is incorporated and domiciled in India. The address of its registered office is VIOS Tower, 23rd Floor, New Cuffe Parade, Off Eastern Freeway, Wadala, Mumbai- 400037.

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

2. Summary of basis of compliance, basis of preparation and presentation, critical accounting estimates, assumptions and judgements and significant accounting policies

2.1 Basis 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 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. 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.

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.

2.3 Critical accounting estimates, assumptions and judgements

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 on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

2.3.1 Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

2.3.2 Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

2.3.3 Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 Property, plant, and equipment

An item of property, plant, and equipment (PPE) is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or services it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of asset.

All other repair and maintenance costs, including regular servicing, are recognised in the Statement of income and expenditure as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Schedule II to the Companies Act 2013 prescribes the useful lives for various classes of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various classes of Property, Plant and Equipment are as given below:

Asset	Useful life
Plant and Machinery	1-8 years

Useful lives and residual values of assets are reviewed at the end of each reporting period.

Losses arising from the retirement of, and gains or losses arising from disposal/adjustments of PPE are recognised in the Statement of income and expenditure.

Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

2.5 Intangible assets

Intangible assets generally comprise software licenses.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various classes of Intangibles are as given below:

Asset	Useful life
Computer software	5 years

The estimated useful life is reviewed annually by the management.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of income and expenditure.

2.6 Financial instruments

2.6.1 Investments and other financial assets:

Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI'), or through income and expenditure), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of income and expenditure or through OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Cash and cash equivalents

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

Derecognition of financial assets

A financial asset is derecognised only when the Company.

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has transferred substantially all risks and rewards of ownership, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

2.6.2 Financial liabilities

The Company's financial liabilities comprise trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate ('EIR') method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Statement of income and expenditure.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Presentation

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.6.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.6.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

2.7 Impairment

Financial assets (other than at fair value)

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In respect of trade receivables, the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised upon initial recognition of the receivables.

PPE, CWIP and intangible assets

The carrying values of assets at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the Statement of income and expenditure. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, consequent to which such reversal of impairment loss is recognised in the Statement of income and expenditure.

Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

2.8 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including other levies, transit insurance and receiving charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.9 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on delivery of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Grant income recognised on receipt basis.

2.10 Employee benefits plans

Employee benefits consist of provident fund, gratuity fund, compensated absences, long service awards.

2.10.1 Post-employment benefit plans

Defined contribution benefit plans

Contributions to a Provident Fund are made to Provident Fund authority, Government of India and are charged to the Statement of income and expenditure as incurred. The Company is liable for the contribution payable to members at the rate declared by the Government of India.

For defined benefit schemes in the form of gratuity fund the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date by an independent actuary.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability is recognised in the Statement of income and expenditure.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of income and expenditure in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

2.10.2 Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

- (a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) In case of non - accumulating compensated absence, when the absences occur.

2.10.3 Other long-term employee benefits

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 a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the Statement of income and expenditure.

2.11 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.

2.12 Income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of income and expenditure because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all 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. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Ncourage Social Enterprise Foundation
Notes forming part of the financial statements

Current and deferred tax are recognised as an expense or income in the statement of income and expenditure, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current estimate.

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 or a reliable estimate of the amount cannot be made.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.14 Lease

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. Company has all the contract which are expiring within 12 months from date of balance sheet date, therefore Company has not applied Ind AS 116 on lease entered in current year.

2.15 Going Concern Note

The company has negative net worth amounting to INR 8,748,203 as at 31 March 2022. After reviewing the cashflow forecasts and Letter of Support received from Holding company for the next 12 months, considering reasonably possible uncertainties and making such other inquiries as were necessary, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

2.16 Others

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

- a) Ind AS 16 Property, Plant and Equipment – For items produced during testing/trial phase, clarification added that revenue generated out of the same shall not be recognised in SOPL and considered as part of cost of PPE.
- b) Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- c) Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

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Notes forming part of the financial statements

- d) Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent
- e) FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- f) Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- g) Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact in its financial statements.

NCourage Social Enterprise Foundation
Notes to the financial statements

Note 3: Property, plant and equipment

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Property, Plant and Equipment Schedule as on 31 March 2022

Particulars	Gross Block					Accumulated Depreciation			Closing Balance		
	1 April 2021	Addition	Deduction / Adjustment	Revaluation Adjustments	31 March 2022	1 April 2021	Addition	Deduction / Adjustment	31 March 2022	31 March 2022	31 March 2021
Plant & Machinery	7,523,750	-	-	-	7,523,750	6,732,916	732,417	-	7,465,333	58,417	790,834
Computers	453,894	81,848	-	-	535,742	58,890	122,399	-	181,289	354,453	395,004
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-
Total	7,977,644	81,848	-	-	8,059,492	6,791,807	854,816	-	7,646,622	412,870	1,185,837

Property, Plant and Equipment Schedule as on 31 March 2021

Particulars	Gross Block					Accumulated Depreciation			Closing Balance		
	1 April 2020	Addition	Deduction / Adjustment	Revaluation Adjustments	31 March 2021	1 April 2020	Addition	Deduction / Adjustment	31 March 2021	31 March 2021	31 March 2020
Plant & Machinery	19,707,950	-	12,184,200	-	7,523,750	12,941,627	3,251,764	9,460,475	6,732,916	790,834	6,766,323
Computers	-	453,894	-	-	453,894	-	58,890	-	58,890	395,004	-
Furniture & Fixtures	1,000,000	-	1,000,000	-	-	958,333	41,667	1,000,000	-	-	41,667
Total	20,707,950	453,894	13,184,200	-	7,977,644	13,899,961	3,352,321	10,460,475	6,791,807	1,185,837	6,807,989

Note 4: Intangible assets

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Intangible Assets Schedule as on 31 March 2022

Particulars	Gross Block					Accumulated Amortization			Closing Balance		
	1 April 2021	Addition	Deduction / Adjustment	Revaluation Adjustments	31 March 2022	1 April 2021	Addition	Deduction / Adjustment	31 March 2022	31 March 2022	31 March 2021
Software	351,800	-	-	-	351,800	211,080	70,360	-	281,440	70,360	140,720
Total	351,800	-	-	-	351,800	211,080	70,360	-	281,440	70,360	140,720

Intangible Assets Schedule as on 31 March 2021

Particulars	Gross Block					Accumulated Amortization			Closing Balance		
	1 April 2020	Addition	Deduction / Adjustment	Revaluation Adjustments	31 March 2021	1 April 2020	Addition	Deduction / Adjustment	31 March 2021	31 March 2021	31 March 2020
Software	351,800	-	-	-	351,800	140,720	70,360	-	211,080	140,720	211,080
Total	351,800	-	-	-	351,800	140,720	70,360	-	211,080	140,720	211,080

NCourage Social Enterprise Foundation
Notes to the financial statements

	As at 31 March, 2022 ₹	As at 31 March, 2021 ₹
Note 5: Deferred tax assets and liabilities		
(a) Deferred tax assets	9,978,053	7,171,091
(b) Deferred tax liabilities	-	-
Deferred Tax assets (net)	9,978,053	7,171,091

2022-22

	As at 1 April 2021	Recognised in the statement of Profit & Loss	Recognised in other Comprehensive Income	As at 31 March 2022
Deferred tax assets/(liabilities) in relation to:				
Unabsorbed business loss and depreciation	4,364,220	2,760,911		7,125,132
Accrued expenses allowed in the year of payment and on fair value of investments	426,946	(104,081)	(91,420)	231,444
Depreciation and amortisation	2,379,925	241,552		2,621,477
	7,171,091	2,898,382	(91,420)	9,978,053

	Assets	Liabilities	Net
As at 31 March, 2022			
Deferred tax assets/(liabilities) in relation to:			
Unabsorbed business loss and depreciation	7,125,132	-	7,125,132
Accrued expenses allowed in the year of payment and on fair value of investments	231,444	-	231,444
Depreciation and amortisation	2,621,477	-	2,621,477
	9,978,053	-	9,978,053

2020-21

	As at 1 April 2020	Recognised in the statement of Profit & Loss	Recognised in other Comprehensive Income	As at 31 March 2021
Deferred tax assets/(liabilities) in relation to:				
Unabsorbed business loss and depreciation	17,595,785	(13,231,565)	-	4,364,220
Accrued expenses allowed in the year of payment and on fair value of investments	869,307	(359,930)	(82,431)	426,946
Depreciation and amortisation	2,375,194	-	-	2,375,194
	20,840,286	4,731	-	7,166,360

	Assets	Liabilities	Net
As at 31 March, 2021			
Deferred tax assets/(liabilities) in relation to:			
Unabsorbed business loss and depreciation	4,364,220	-	4,364,220
Accrued expenses allowed in the year of payment and on fair value of investments	426,946	-	426,946
Depreciation and amortisation	2,375,194	-	2,375,194
	7,166,360	-	7,166,360

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Tax effect	Gross amount	Tax effect
Deductible temporary differences	10,972,776	2,852,922	9,638,979	2,806,871
Unused tax losses	27,404,352	7,125,132	14,987,021	4,364,220
	38,377,128	9,978,053	24,626,000	7,171,091

The tax losses amounting to Rs 27,404,352 (2021: Rs 14,987,021) for which no deferred tax asset has been recognised, expire between FY 2028 - 2029. The deductible temporary differences do not expire under current tax legislation.

NCourage Social Enterprise Foundation
Notes to the financial statements

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 6: Inventories		
Stock-in-trade	3,372,228	8,379,810
Stock-in-transit	-	-
Spare parts	<u>4,195,690</u>	<u>8,323,347</u>
	<u>7,567,918</u>	<u>16,703,157</u>
	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 7: Trade receivables		
(a) Unsecured, considered good*	6,708,060	17,780,767
(b) Unsecured, considered impaired	401,162	667,451
Less: Impairment loss allowance	<u>(401,162)</u>	<u>(667,451)</u>
	<u>6,708,060</u>	<u>17,780,767</u>

* includes amount of ₹2787/- (31 March 2021 : ₹659) due from related parties (refer note 27)

Trade receivables ageing schedule

As on 31 March 2022

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	5,966,745	729,582	11,733	-	-	-	6,708,060
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
Total	-	5,966,745	729,582	11,733	-	-	-	6,708,060

As on 31 March 2021

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	14,672,983	2,576,090	531,694	-	-	-	17,780,767
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
Total	-	14,672,983	2,576,090	531,694	-	-	-	17,780,767

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 8: Cash and cash equivalents		
Balance with banks	<u>1,192,303</u>	<u>5,727,604</u>
	<u>1,192,303</u>	<u>5,727,604</u>

Note 9: Other investments

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Holdings No. of units	Amount ₹	Holdings No. of units	Amount ₹
Other Investment				
Investment in equity instruments				
Unquoted				
Tata Liquid Fund direct Plan	8,921	29,977,328	4,254	13,816,450
Total investments		<u>29,977,328</u>		<u>13,816,450</u>
Aggregate carrying costs of unquoted investments		<u>29,977,328</u>		<u>13,816,450</u>

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 10: Other current assets		
Advance to supplier	87,321	136,724
Prepaid expenses	941,050	662,250
Statutory receivables	8,159,228	9,792,552
Others	<u>102,858</u>	<u>387,055</u>
	<u>9,290,457</u>	<u>10,978,580</u>

NCourage Social Enterprise Foundation
Notes to the financial statements

	As at		As at	
	31 March, 2022		31 March, 2021	
	₹		₹	
Note 11: Equity share capital				
(a) Authorised:				
5,000,000 (2021: 5,000,000) Ordinary shares) of Rs 10 each	50,000,000		50,000,000	
(b) Issued, Subscribed and Fully paid-up				
2,550,000 (2021: 2,550,000) Ordinary shares) of Rs 10 each	25,500,000		25,500,000	
	25,500,000		25,500,000	
i) Reconciliation of number of shares				
	No. of Shares	₹	No. of Shares	₹
Equity Shares				
Opening balance	2,550,000	25,500,000	2,550,000	25,500,000
Issued during the year	-	-		
Closing balance	2,550,000	25,500,000	2,550,000	25,500,000

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.

	As at		As at	
	31 March, 2022		31 March, 2021	
	₹		₹	
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*	25,500,000		25,500,000	
	100%		100%	

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

NCourage Social Enterprise Foundation
Notes to the financial statements

Disclosures of Shareholding of Promoters - Shares held by the Promoters:

As on 31 March 2022:

S. No	Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
			No. of Shares	%of total shares	No. of Shares	%of total shares	
Promoter							
1	Tata Chemicals Limited	Equity	2,549,994	100.00%	2,549,994	100.00%	0.00%
Nominees of Tata Chemicals Limited							
2	Mr. Ramakrishnan Mukundan	Equity	1	0.00%	1	0.00%	0.00%
3	Mr. Rackanchath Nanda	Equity	1	0.00%	1	0.00%	0.00%
4	Mr. Rajiv Chandan	Equity	1	0.00%	1	0.00%	0.00%
5	Ms. Alka Talwar *	Equity	--	--	1	0.00%	0.00%
6	Mr. Yashaswin Sheth	Equity	1	0.00%	1	0.00%	0.00%
7	Mr. Zubin Patel *	Equity	--	--	1	0.00%	0.00%
8	Mr. Nandakumar S. Tirumalai *	Equity	1	0.00%	--	--	0.00%
9	Mr. Ujas Dave *	Equity	1	0.00%	--	--	0.00%
Total			2,550,000.00	100.00%	2,550,000.00	100.00%	0.00%

Note: 1 share each held by Mr. Zubin Patel and Ms. Ms. Alka Talwar were transferred to Mr. Nandakumar Tirumalai and Mr. Ujas Dave respectively during the year

As on 31 March 2021:

S. No	Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
			No. of Shares	%of total shares	No. of Shares	%of total shares	
Promoter							
1	Tata Chemicals Limited	Equity	2,549,994	100.00%	2,549,994	100.00%	0.00%
Nominees of Tata Chemicals Limited							
2	Mr. Ramakrishnan Mukundan	Equity	1	0.00%	1	0.00%	0.00%
3	Mr. Rackanchath Nanda	Equity	1	0.00%	1	0.00%	0.00%
4	Mr. Rajiv Chandan	Equity	1	0.00%	1	0.00%	0.00%
5	Ms. Alka Talwar	Equity	1	0.00%	1	0.00%	0.00%
6	Mr. Yashaswin Sheth	Equity	1	0.00%	1	0.00%	0.00%
7	Mr. Zubin Patel	Equity	1	0.00%	1	0.00%	0.00%
Total			2,550,000.00	100.00%	2,550,000.00	100.00%	0.00%

Note 12: Other equity

Retained earnings

(i) Opening balance

(ii) Excess of expenditure over income

As at
31 March, 2022
₹

As at
31 March, 2021
₹

(25,075,491)

(9,172,712)

(34,248,203)

(24,990,798)

(84,693)

(25,075,491)

N Courage Social Enterprise Foundation
Notes to the financial statements

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 13: Trade payables		
Trade payables - other than MSME*	20,820,120	27,095,932
Amount due to Micro, Small and Medium enterprise (MSME) Foot notes 1	7,126,840	3,457,400
	27,946,960	30,553,332

* Amount payable to related party amounting to Rs 917217 (2021: Rs 48,076) (refer note 27)

Foot notes 1:

- (i) Amount due to MSME Rs 7126840/- (2021: Rs 34,57,400/-) is on account of purchase made during the year.
(ii) According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

Particulars	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
1 (a) Principal amount remaining unpaid to any supplier	7,126,840	3,457,400
(b) Interest on 1(a) above	-	-
2 (a) The amount of principal paid beyond the appointed date	-	-
(b) The amount of interest paid beyond the appointed date	-	-
3 Amount of interest due and payable on delayed payments	-	-
4 Amount of interest accrued and remaining unpaid as at year end	-	-
5 The amount of further interest due and payable even in the succeeding year	-	-

Trade Payable ageing schedule:

As on 31 March 2022:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	7,126,840	-	-	-	-	7,126,840
(ii) Others	1,912,697	14,846,577	4,060,846	-	-	-	20,820,120
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	1,912,697	21,973,417	4,060,846	-	-	-	27,946,960

As on 31 March 2021:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3,457,400	-	-	-	-	3,457,400
(ii) Others	5,305,914	16,133,707	5,656,311	-	-	-	27,095,932
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	5,305,914	19,591,107	5,656,311	-	-	-	30,553,332

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 14: Other financial liabilities		
Security deposit from customers	3,480,000	3,140,000
Security deposit from vendors	1,560,000	1,560,000
Performance Linked Bonus	6,508,096	5,763,000
Provision for Customer sales promotion	4,150,997	3,842,895
	15,699,093	14,305,895

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 15: Other current liabilities		
Non-Current		
(a) Deferred Income	3,805,697	2,472,023
	3,805,697	2,472,023
Current		
(a) Statutory dues	1,029,268	924,921
(b) Advance received from customers	5,087,614	7,507,543
(c) Deferred Income	3,265,115	1,214,160
	9,381,997	9,646,625

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note 16		
Non-Current		
(a) Provision for employee benefits (Refer note 23)		
(i) Compensated leave and others	2,958,590	3,040,555
(ii) Gratuity	1,555,690	2,027,089
	4,514,280	5,067,644

Current		
(a) Provision for employee benefits (Refer note 23)		
(i) Compensated leave and others	342,076	532,222
(ii) Gratuity	-	-
(b) Provision for warranty - Refer note below	2,277,395	3,330,865
	2,619,471	3,863,087

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Note: Movement in provision for warranty		
Opening	3,330,865	4,147,828
Utilised during the year	582,833	1,103,831
Excess provision reversed	2,554,157	2,153,618
Provision made during the year	2,083,520	2,440,485
Closing	2,277,395	3,330,865

Warranty is provided on purifier for one year from the date of installation.

NCourage Social Enterprise Foundation
Notes to the financial statements

	As at	As at
	31 March, 2022	31 March, 2021
	₹	₹
Note 17: Revenue from operations		
Sale of traded products		
- Sale of water purifier (refer Footnote 1 below)	152,512,248	135,573,468
- Sale of cattle and feed mix (refer Footnote 2 below)	111,844,231	71,163,917
- Sale of spices	1,865,924	3,234,128
- Sale of spare parts	2,733,419	6,066,450
- Other Operating Income	2,938,618	6,817
	<u>271,894,440</u>	<u>216,044,779</u>
Footnote 1:		
Sale of water purifier	154,916,277	136,294,901
Less: Warranty expense / Income	440,809	(286,867)
Add: Discount provision written back	1,894,857	1,255,000
Less: discounts and incentives	(4,739,695)	(1,689,566)
	<u>152,512,248</u>	<u>135,573,468</u>
Footnote 2:		
Sale of cattle and feed mix	113,898,064	72,648,679
Add: Discount provision written back	842,691	-
Less: Discounts and incentives	(2,896,524)	(1,484,762)
	<u>111,844,231</u>	<u>71,163,917</u>
Note 18: Other income		
Grant received (refer note 1 below)	-	30,000,000
Gain on sale / redemption of investments	660,878	472,736
Sale of scraps	462,855	-
Interest income	-	30,986
	<u>1,123,733</u>	<u>30,503,722</u>
1. (a) Company has received grant from Tata Chemicals Society for Rural Development (TCSR) in 2021-22 (₹3.00 Crs in 2020-21) for meeting the operating expenses		
	₹	₹
Note 19: Employee benefits expenses		
Salaries, wages and bonus	37,050,175	35,079,613
Gratuity Expense (as per note 23)	517,272	664,368
Leave encashment	410,153	735,968
Contribution to provident fund and other funds	1,142,045	1,125,167
Staff welfare expenses	806,036	1,201,672
	<u>39,925,681</u>	<u>38,806,788</u>
	₹	₹
Note 20: Finance costs		
Interest on deposits	188,838	176,102
	<u>188,838</u>	<u>176,102</u>
	₹	₹
Note 21: Depreciation and amortization expense		
Depreciation of property, plant and equipment	854,816	3,352,321
Amortization of intangible asset	70,360	70,360
	<u>925,176</u>	<u>3,422,681</u>
	₹	₹
Note 22: Other expenses		
Carrying and forwarding agent service charges	3,342,922	4,397,768
Travelling expenses	1,114,154	469,359
Auditors' remuneration		
a) For services as auditor	450,000	450,000
b) For reimbursement of expenses	12,750	6,750
Professional fees	16,421,729	13,954,044
Sub-contract expenses	2,605,580	2,471,940
Marketing expense	11,048,325	14,257,487
Freight and forwarding charges	6,800,063	11,331,466
Rent paid (refer note 27)	1,362,975	3,447,610
Business support services (refer note 27)	1,297,465	1,477,227
Grant expenses (refer Footnote 1 below)	(418,171)	1,778,000
Loss on discarded assets	-	2,723,725
Miscellaneous expenses	906,964	2,920,758
	<u>44,944,756</u>	<u>59,686,134</u>
Footnote 1		
Grant unutilized and hence recovered back		

NCourage Social Enterprise Foundation
Notes to the financial statements

Note 23: Employee benefit obligations

(a) The Company makes contribution towards provident fund, a defined contribution retirement benefit plan and towards pension fund for qualifying employees.

On account of the above contribution plans, a sum of Rs.1,142,045/- (2021: Rs 1,125,167/-) has been charged to the Statement of Income and Expenditure.

(b) The Company has a Gratuity plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act,1972. Vesting occurs upon completion of five years of continuous service.

The most recent actuarial valuations of the present values of the defined benefit obligation were carried out at 31 March, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables set out amounts recognised in the Company's financial statements as at 31 March, 2022 for the Defined Benefit Plans.

1. Changes in the defined benefit obligation:

Particulars	As at	As at
	31 March, 2022	31 March, 2021
	Gratuity	Gratuity
At the beginning of the year	5,182,830	4,679,765
Current service cost	414,957	418,568
Past service cost	-	-
Interest cost	340,229	314,300
Remeasurement (gain)/loss		
Actuarial (gain) / loss arising from:		
- Change in financial assumptions	(139,935)	83,023
- Change in demographic assumptions	-	-
- Experience adjustments	(218,756)	(312,826)
Liabilities assumed /(settled)	(73,883)	-
Benefits paid	(63,173)	-
At the end of the year	5,442,269	5,182,830

2. Changes in the fair value of plan assets:

Particulars	As at	As at
	31 March, 2022	31 March, 2021
	Gratuity	Gratuity
At the beginning of the year	3,155,741	1,000,000
Interest on plan assets	237,914	68,500
Employer's contributions	563,173	2,000,000
Remeasurement gain/(loss)		
Annual return on plan assets less interest on plan assets	(7,076)	87,241
Benefits paid	-63,173	-
At the end of the year	3,886,579	3,155,741
(Asset)/liability (net)	1,555,690	2,027,089

3. Net employee benefit expense for the year:

Particulars	As at	As at
	31 March, 2022	31 March, 2021
	Gratuity	Gratuity
Current service cost	414,957	418,568
Past service cost	-	-
Interest on defined benefit obligation (net)	102,315	245,800
Components of defined benefits costs recognised in the Statement of income and expenditure	517,272	664,368
Net benefit expense	517,272	664,368

4. Assumptions used in accounting for gratuity:

Particulars	Gratuity	
	As at 31 March, 2022	As at 31 March, 2021
Discount rate	6.95%	6.70%
Increase in Compensation cost	7.50%	7.50%

NCourage Social Enterprise Foundation
Notes to the financial statements

5. Sensitivity Analysis

Impact on defined benefit obligation due to change in assumptions

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Gratuity	Decrease	Gratuity	Decrease
Discount rate				
0.5% change	(265,619)	284,901	(269,765)	290,503
Compensation rate				
0.5% change	222,380	(219,281)	236,302	(221,066)

6. Maturity profile of defined benefit obligation is as follows;

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Gratuity	Gratuity	Gratuity	Gratuity
Within the next 12 months (contribution due in next annual reporting period)	221,437		209,559	
Later than 1 year and not later than 5 years	713,892		732,128	
Later than 5 year and not later than 9 years	3,004,125		2,696,511	
10 years and above	8,288,263		8,260,592	
Total expected payments	12,227,717		11,898,790	
Weighted average duration to the payment of cash flows (in Year)				

7. The details of the Company's post-retirement and other benefit plans for its employees given above are certified by the actuary and relied upon by the Auditors.

Note 24: 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 25: Disclosure on 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.

(a) Financial instruments by category

The carrying value of financial instruments by categories is as follows:

	As at 31 March, 2022			As at 31 March, 2021		
	FVTPL	Amortized cost	Total Carrying Value	FVTPL	Amortized cost	Total Carrying Value
	₹	₹	₹	₹	₹	₹
Financial Assets:						
Investments-current						
Debt instrument at fair value	29,977,328	-	29,977,328	13,816,450	-	13,816,450
Trade receivables	-	6,708,060	6,708,060	-	17,780,767	17,780,767
Cash and cash equivalents	-	1,192,303	1,192,303	-	5,727,604	5,727,604
	29,977,328	7,900,363	37,877,691	13,816,450	23,508,371	37,324,821
Financial Liabilities:						
Trade payables	-	27,946,960	27,946,960	-	25,247,418	25,247,418
Other financial liabilities-current	-	15,699,093	15,699,093	-	17,534,992	17,534,992
	-	43,646,053	43,646,053	-	42,782,410	42,782,410

NCourage Social Enterprise Foundation
Notes to the financial statements

(b) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required.

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Fair value measurement using		Fair value measurement using	
	Total	Significant observable inputs (level 2)	Total	Significant observable inputs (level 2)
FVTPL financial investments				
unquoted debt instruments	29,977,328	29,977,328	13,816,450	13,816,450

C) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair value of financial instruments:

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

(d) Financial risk management objectives

The Company is exposed to credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company is supported by a Treasury Risk Management Group ('TRMG') of Tata Chemicals Limited which manages these risks.

Credit risk management

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.

Trade receivables

Trade receivables of the Company are typically unsecured and derived from sales made to a large number of independent customers. Customer credit risk is managed by business unit subject to established policies, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company has appropriate level of control procedures to assess the potential customer's credit quality. The credit-worthiness of its customers are reviewed based on their financial position, past experience and other relevant factors. The Credit period provided by the Company to its customers generally ranges from 0-60 days. Outstanding customer receivables are reviewed periodically.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

NCourage Social Enterprise Foundation
Notes to the financial statements

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

Note 26: Capital management

The capital structure of the Company consists of total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern.

Note 27: Related Party Transaction

NCourage Social Enterprise Foundation principal related parties consist of its holding company Tata Chemicals Limited ("TCL") 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 ("TCL")

III) Fellow Subsidiary Company

Rallis India Limited

IV) Key Managerial Person

Mr. R. Mukundan, Director

Mr. R Nanda, Director

Mr. N Tirumalai, Director

Transactions with Holding Company are as follows:

	As at 31 March, 2022	As at 31 March, 2021
	₹	₹
Tata Chemicals Limited		
Guest house expenses	14,500	52,500
Rent expense to TCL	1,362,975	3,447,610
Business Support Service expense to TCL	1,297,465	1,477,227
Electricity Expenses	316,911	196,433
Sale of Products	641,816	1,443,578
Purchase of Products	23,830	-
Transfer of Gratuity and Leave Encashment	108,379	-
Outstanding Payable		
Payable to Tata Chemicals Limited	897,787	48,076
Outstanding Receivable		
Receivable from Tata Chemicals Limited	2,787	659
Rallis India Limited		
Sale of Products	105,496	-

Note 28

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance
Liquidity Ratio					
Current Ratio (times)	Current Assets	Current Liabilities	0.98	1.11	-2%
Profitability ratio					
Net Profit Ratio (%) (Footnote 1)	Profit After Tax	Total Sales	-3.36%	-0.03%	-103%
Return on Equity Ratio (%) (Footnote 2)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	0.00%	-18.14%	-100%
Return on Capital employed (%) (Footnote 2)	Earnings before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.00%	21.53%	-100%
Utilisation Ratio					
Trade receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	13.07	11.03	19%
Inventory turnover ratio (times) (Footnote 1)	Cost of goods sold or Sales	Average Inventory	16.20	6.50	149%
Trade payables turnover ratio (times) (Footnote 1)	Net Credit Purchases	Average Trade Payables	6.41	4.77	34%
Net capital turnover ratio (times) (Footnote 2)	Net Sales	Working Capital	-	37.14	-100%

Footnote 1

Net Profit ratio is decreased because in FY 2020-21, company received a grant income of INR 3 Crores. Whereas no such grant is received in CY 2021-22
Inventory turnover has increased as the inventory in current year has reduced significantly because of sale of old inventory
Trade payables turnover ratio has increased due to more purchase than last year.

Footnote 2

Company has negative net worth and working capital in FY 2021-22, hence these ratio for Current year are not calculated

Note 29: Approval of financial statements

The financial statements were approved for issue by the board of directors on 19th April 2022

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

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Rekha Sheno

Partner

Membership No. 124219

Date: 19th April, 2022

Place: Mumbai

For and on behalf of the Board of Directors

R. Mukundan

Director

(DIN: 00778253)

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R. Nanda

Director

(DIN: 09406283)

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