

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India.

Telephone : +91 44 4608 3100
Fax : +91 44 4608 3199

INDEPENDENT AUDITORS' REPORT

To the Members of Dvara Research Foundation Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dvara Research Foundation ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of income and expenditure and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 ("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 March 31, 2021, and excess of expenditure over income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Other information

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 auditors' report thereon. The other information is expected to be made available to us after the date of this Auditor's report.

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

B S R & Co. LLP
Independent Auditors' Report
To the Members of Dvara Research Foundation

Page 2 of 5

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.

When we read the Company's directors Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are 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, income / expenditure and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 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 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



B S R & Co. LLP
Independent Auditors' Report
To the Members of Dvara Research Foundation

Page 3 of 5

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls with reference to Financial Statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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.



B S R & Co. LLP
Independent Auditors' Report
To the Members of Dvara Research Foundation

Page 4 of 5

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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. The Company is a Company licensed under section 25 of the Companies Act, 1956. Accordingly, the Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable.
2. (A) 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, and statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 auditors reporting on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls (clause (i) of Section 143(3) of the Act).



B S R & Co. LLP

**Independent Auditors' Report
To the Members of Dvara Research Foundation**

Page 5 of 5

(B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its Financial Statements. Refer Note 27 to the Financial Statements
- 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 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 in these Financial Statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company being a private company, the provisions of Section 197 to the Act is not applicable.

for B S R & Co. LLP

Chartered Accountants

Firm's registration Number: 101248W/W-100022



Naveen Raj R

Partner

Membership Number: 217772

ICAI UDIN: 21217772AAAACS4219

Place: Chennai

Date: September 29, 2021

Dvara Research Foundation
Balance sheet as at March 31, 2021

(All amounts are in Indian Rupees, except share data and as otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	100,000	100,000
Reserves and surplus	4	15,379,675	36,122,150
		<u>15,479,675</u>	<u>36,222,150</u>
Corpus Funds	5	-	21,678,822
Fund Balances	5(i)	300,000	-
Non-current liabilities			
Long-term provisions	6	1,535,986	1,013,123
		<u>1,535,986</u>	<u>1,013,123</u>
Current liabilities			
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		12,111,853	3,635,426
Other current liabilities	8	12,339,049	41,125,683
Short-term provisions	6	121,492	93,916
		<u>24,572,394</u>	<u>44,855,025</u>
TOTAL		<u>41,888,055</u>	<u>103,769,120</u>
ASSETS			
Non-current assets			
Property, Plant and Equipment			
Tangible Assets	9	614,798	748,030
Intangible assets	10	-	-
Long-term loans and advances	11	7,253,232	6,796,268
		<u>7,868,030</u>	<u>7,544,298</u>
Current assets			
Trade receivables	12	874,576	2,160,000
Cash and bank balances	13	14,634,914	80,359,337
Short-term loans and advances	11	18,510,535	12,791,230
Other current assets	14	-	914,255
		<u>34,020,025</u>	<u>96,224,822</u>
TOTAL		<u>41,888,055</u>	<u>103,769,120</u>

Significant accounting policies

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Naveen Raj R
Partner
Membership No: 217772

Place: Chennai
Date: 29 September 2021

for and on behalf of the Board of Directors of
Dvara Research Foundation
CIN: U67190TN2008NPL068733



Indradeep Ghosh
Director
DIN: 08592589

Place: Chennai
Date: 29 September 2021



Samir Amrit Shah
Director
DIN: 00912693

Place: Chennai
Date: 29 September 2021

Dvara Research Foundation
Statement of Income and Expenditure for the year ended March 31, 2021
(All amounts are in Indian Rupees, except share data and as otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Grants received	15	68,375,447	49,916,916
Revenue from services	16	1,623,983	2,000,000
Other income	17	2,586,638	4,160,707
TOTAL		72,586,068	56,077,623
EXPENDITURE			
Grants paid		-	1,200,000
Employee benefits	18	38,248,569	27,533,986
Depreciation and amortization	19	669,814	520,146
Other expenses	20	54,410,160	33,689,336
TOTAL		93,328,543	62,943,468
(Deficit) before tax		(20,742,475)	(6,865,845)
Tax expenses			
Current tax	21	-	-
Deferred tax		-	-
Tax expense		-	-
Surplus / (Deficit) for the year		(20,742,475)	(6,865,845)
Earnings per equity share (nominal value of Rs. 10 each)	23		
-Basic (Rs)		(2,074.25)	(686.58)
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements As per our report of even date attached			

for **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Naveen Raj R
Partner
Membership No: 217772

Place: Chennai
Date: 29 September 2021

for and on behalf of the Board of Directors of
Dvara Research Foundation
CIN: U67190TN2008NPL068733



Indrajeep Ghosh
Director
DIN: 08592589

Place: Chennai
Date: 29 September 2021



Samir Amrit Shah
Director
DIN: 00912693

Place: Chennai
Date: 29 September 2021

Dvara Research Foundation

Statement of cash flow for the year ended March 31, 2021

(All amounts are in Indian Rupees, except share data and as otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities			
(Deficit) before tax		(20,742,475)	(6,865,845)
<i>Adjustments for:</i>			
Depreciation and amortization		669,814	520,146
Grants received / (utilised) during the year		300,000	-
Grant income recognised upon wavier / vacation of restriction		(21,678,822)	-
Gratuity provision		550,439	384,835
Interest income		(1,024,218)	(3,410,540)
(Deficit) before working capital changes		(41,925,262)	(9,371,404)
Changes in working capital:			
Decrease / (Increase) in trade receivables		1,285,424	(2,160,000)
(Increase) in loans and advances		(5,996,805)	(5,848,443)
Increase in trade payables		8,476,429	1,183,297
(Decrease) / Increase in other liabilities		(28,786,636)	9,697,807
Cash generated (used in) operating activities		(66,946,850)	(6,498,743)
Income tax paid		(179,464)	(1,658,628)
Net cash (used in) operating activities	(A)	(67,126,314)	(8,157,371)
Cash flows from investing activities			
Purchase of fixed assets		(536,582)	(815,967)
Redemption of fixed deposits		-	50,000,000
Interest received		1,938,473	2,832,122
Net cash generated from investing activities	(B)	1,401,891	52,016,155
Cash flows from financing activities	(C)	-	-
Net Increase / (decrease) in cash and cash equivalents (A+B+C)		(65,724,423)	43,858,784
Cash and cash equivalents at the beginning of the year		80,359,337	36,500,553
Cash and cash equivalents at the end of the year		14,634,914	80,359,337

Reconciliation of cash and cash equivalents:

	Note	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents	13		
Cash on hand		5,805	17,903
Balance with bank			
- In current accounts		3,238,867	16,435,425
- In FCRA accounts		11,299,316	1,406,009
- In savings accounts		90,926	-
- On deposit accounts (with original maturity of 3 months or less)		-	62,500,000
		14,634,914	80,359,337

Significant accounting policies

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Naveen Raj R

Partner

Membership No: 217772

Place: Chennai

Date: 29 September 2021

for and on behalf of the Board of Directors of

Dvara Research Foundation

CIN: U67190TN2008NPL068733



Indradeep Ghosh

Director

DIN: 08592589

Place: Chennai

Date: 29 September 2021



Samir Amrit Shah

Director

DIN: 00912693

Place: Chennai

Date: 29 September 2021

Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

1 Company overview

Dvara Research Foundation (hereinafter referred to as, "The Company") is a Section 25 company incorporated on 4 August 2008 under the Companies Act 1956, as a wholly owned subsidiary of DVARA Trust and is also registered under Section 12AA of the Income Tax Act, 1961. During the financial year 2013-14, the Company was registered under the Foreign Contribution Regulation Act, 2010.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 and other pronouncements of Institute of Chartered Accountants of India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company is a small and medium sized company (SMC) as defined in the general instructions in respect of accounting standards specified under Section 133 of the Companies Act, 2013. Accordingly, the Company has complied with the accounting standards, as applicable to the small and medium sized company. The Company has prepared and presented cash flow statement in accordance with the requirements of the Companies Act, 2013.

2.2 Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year, reported balance of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

2.3 Operating cycle

Assets and liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realized and settled within a period of 12 months from the date of balance sheet have been classified as current and other assets and liabilities are classified as non-current.

2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby surplus / (deficit) 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. The cash flows from operating, investing and financing activities are segregated based on the available information. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing on the date of transactions.

2.6 Revenue recognition

A. Grants

- a) Grants received towards corpus are treated as capital receipts and taken to corpus fund.
- b) Grants are recognised as income when there is reasonable certainty that the Company will comply with the conditions attached to them. Grants received for specific purposes and the income earned thereon from such grants are credited to the specific funds. These grants are recognised as income in the statement of income and expenditure based on utilisation or upon waiver / vacation of conditions associated with such grants.

B. Revenue from services

Revenue from sale of services are recognised over the period of the contract when the related services are rendered as per the agreed terms of contract with the respective customers provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

C. Other income

Interest income (other than interest income on grants received for specific purposes) is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.



2.7 Property, plant and equipment ("PPE")

PPE are carried at historical cost less accumulated depreciation and impairment losses, if any. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Borrowing costs directly attributable to acquisition or construction of qualifying assets for the period to the completion of installation or construction of such assets respectively are capitalized. Cost of assets not ready for intended use, as on balance sheet date, is shown as capital work in progress. Advance given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as long-term loans and advances.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gain or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Income and expenditure when the asset is derecognized.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The cost of intangible fixed assets not ready for the intended use at each balance sheet date is disclosed as intangible fixed assets under development.

2.9 Depreciation and amortization

The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is provided on the depreciable value on a written down value method at the useful life given under Part C of the Schedule II of the Companies Act, 2013.

Pro-rata depreciation is provided for all assets purchased / sold during the year. Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower. The estimated useful life of various tangible and intangible assets are as under:

Asset Category	Useful Life
a) Property, plant & equipment	
Office equipment	5 years
Computers and accessories	3 years
b) Intangible assets	
Softwares	10 years

2.10 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Income and expenditure, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater 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.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Income and expenditure, to the extent the amount was previously charged to the Statement of Income and expenditure. In case of revalued assets such reversal is not recognized.

2.11 Employee benefits

Defined benefit plans (Long term employee benefits) - Gratuity

The Company accounts for its liability for future gratuity benefits based on the actuarial valuation, as at the balance sheet date, determined by an Independent Actuary using the Projected Unit Credit method and is provided for. The company's gratuity plan is non-funded. Actuarial gains and losses are recognized in the Statement of Income and expenditure in the year in which they occur.

2.12 Funds

General fund

Unrestricted funds refer to contributions received by the Company with no specific restrictions as to its utilisation. The obligation of the Company while accepting such contribution is to ensure its usage for the general purposes of the Company. All incomes not subject to external restrictions are also a part of general fund.

Specific fund

Specific funds refer to contributions received by the Company which are subject to certain conditions / restrictions as to its utilisation. The restriction may apply to the use of the moneys received or income earned from the investment of such moneys or both. Funds, the use of which is subject to legal restrictions are also considered as specific funds.



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

2.13 Foreign currency transactions and translations

Foreign currency transactions are recorded into Indian rupees using the actual exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Income and expenditure. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the Statement of Income and expenditure.

2.14 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements.

2.15 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with AS 20, Earnings Per Share issued by the Institute of Chartered Accountants of India. Basic earnings per equity share is computed by dividing net surplus / deficit attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year.

2.16 Income tax

The Company is registered under Section 12AA of the Income Tax Act, 1961 and hence is exempt from taxes on income when they are applied for charitable purpose.



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
3 Share capital		
Authorized:		
Equity shares:		
Equity shares of INR 10 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and fully paid up		
Equity shares of INR 10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

a) Rights, preferences and restrictions attached to each class of shares

(I) Equity shares: The Company has issued one class of equity share at a par value of INR 10 per share. Each holder of Equity share 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	10,000	100,000	10,000	100,000
Add: Issued during the year	-	-	-	-
At the end of the year	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

c) Particulars of shareholders holding more than 5% shares of a class of shares:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares				
DVARA Trust (Controlling entity) and its nominee	10,000	100.00%	10,000	100.00%

4 Reserves and surplus

General Fund

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	36,122,150	42,987,995
Surplus / (Deficit) for the year	(20,742,475)	(6,865,845)
At the end of the year	<u>15,379,675</u>	<u>36,122,150</u>
	<u>15,379,675</u>	<u>36,122,150</u>

5 Corpus Funds

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	21,678,822	21,678,822
Less : Transferred to Grant income upon vacation of restriction (refer note below)	(21,678,822)	-
At the end of the year	<u>-</u>	<u>21,678,822</u>

The Company has fully utilized the Corpus Fund for the stated purposes as per the terms of the grant sanction letters in the prior years. During the year the Company has transferred the Corpus fund balance to income - Grant income recognised upon wavier / vacation of restriction in the Statement of Profit and Loss account. (also refer note 15)

5(i) Fund Balances

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	-	-
Add : Grant received during the year (refer note 24A)	300,000	-
At the end of the year	<u>300,000</u>	<u>-</u>

6 Provisions

	As at March 31, 2021		As at March 31, 2020	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Provision for gratuity (refer note 22)	1,535,986	121,492	1,013,123	93,916
	<u>1,535,986</u>	<u>121,492</u>	<u>1,013,123</u>	<u>93,916</u>



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

	As at March 31, 2021	As at March 31, 2020
7 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 30)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 25)	12,111,855	3,635,426
	12,111,855	3,635,426
8 Other current liabilities		
Employee benefits payable	7,353,239	3,006,131
Payables to related parties (refer note 25)	-	35,657,376
Statutory dues	4,983,466	2,451,334
Other liabilities	2,344	10,842
	12,339,049	41,125,683



Dvara Research Foundation
Notes to the financial statements for the year ended March 31, 2021
 (All amounts are in Indian Rupees, except share data and as otherwise stated)

9 Tangible Assets

Particulars	Office equipment	Computers and accessories	Total
Gross block			
As at April 1, 2019	121,245	1,860,022	1,981,267
Additions	-	815,967	815,967
Deletions	-	-	-
As at March 31, 2020	121,245	2,675,989	2,797,234
Additions	-	536,582	536,582
Deletions	-	-	-
As at March 31, 2021	121,245	3,212,571	3,333,816
Accumulated depreciation			
As at April 1, 2019	64,257	1,464,801	1,529,058
Additions	25,686	494,460	520,146
On disposals	-	-	-
As at March 31, 2020	89,943	1,959,261	2,049,204
Additions	13,937	655,877	669,814
On disposals	-	-	-
As at March 31, 2021	103,880	2,615,138	2,719,018
Net block			
As at March 31, 2020	31,302	716,728	748,030
As at March 31, 2021	17,365	597,433	614,798

10 Intangible assets

Particulars	Softwares	Total
Gross block		
As at April 1, 2019	126,397	126,397
Additions	-	-
Deletions	-	-
As at March 31, 2020	126,397	126,397
Additions	-	-
Deletions	-	-
As at March 31, 2021	126,397	126,397
Accumulated amortization		
As at April 1, 2019	126,397	126,397
Additions	-	-
On deletions/disposal	-	-
As at March 31, 2020	126,397	126,397
Additions	-	-
On deletions/disposal	-	-
As at March 31, 2021	126,397	126,397
Net block		
As at March 31, 2020	-	-
As at March 31, 2021	-	-



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

11 Loans and advances	As at March 31, 2021		As at March 31, 2020	
	Long-term	Short-term	Long-term	Short-term
To Parties Other than related parties (Unsecured, considered good)				
Advance taxes (also refer note 27)	6,903,232	-	6,723,768	-
Security deposit	350,000	-	72,500	-
Balances with government authorities	-	16,590,171	-	10,619,860
Advances to employees	-	885,000	-	1,320,000
Advances recoverable in cash or in kind or for value to be received	-	123,991	-	10,890
Prepaid expenses	-	911,373	-	840,480
	7,253,232	18,510,535	6,796,268	12,791,230
12 Trade receivables			As at March 31, 2021	As at March 31, 2020
Other receivables				
- Unsecured, considered good			874,576	2,160,000
			874,576	2,160,000
13 Cash and bank balances				
Cash and cash equivalents				
Cash on hand			5,805	17,903
Balance with bank				
- In current accounts			3,238,867	16,435,425
- In FCRA accounts			11,299,316	1,406,009
- In savings accounts			90,926	-
- On deposit accounts (with original maturity of 3 months or less)			-	62,500,000
			14,634,914	80,359,337
13.1 Details of bank balances/deposits				
Bank balances available on demand / deposits with original maturity of 3 months or less included under 'cash and cash equivalents'			14,629,109	80,341,434
Bank deposits due to mature within 12 months of the reporting date included under 'other bank balances'			-	-
Bank deposits due to mature after 12 months of the reporting date included under 'other non-current assets'			-	-
			14,629,109	80,341,434
14 Other current assets				
Interest accrued on fixed deposits			-	914,255
			-	914,255



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
15 Grants Received		
Foreign contributions received	3,696,625	30,916,916
Local grants received	43,000,000	-
Grants received towards CSR activities	-	19,000,000
Grant income recognised upon wavier / vacation of restriction (also refer note 5)	21,678,822	-
	68,375,447	49,916,916
16 Revenue from services		
Professional services	1,623,983	2,000,000
	1,623,983	2,000,000
17 Other income		
Interest income from banks on:		
- Deposit accounts	728,531	3,410,540
- FCRA account	295,687	717,084
Provisions no longer required written back	800,885	33,083
Sponsorship income	500,000	-
Miscellaneous income	261,535	-
	2,586,638	4,160,707
18 Employee benefits		
Salaries, wages and bonus	36,501,433	26,012,376
Contribution to provident and other funds	180,990	-
Expenses related to post-employment defined benefit plans (refer note 22)	550,439	384,835
Staff welfare expenses	1,015,707	1,136,775
	38,248,569	27,533,986
19 Depreciation and amortisation		
Depreciation of property, plant and equipment (refer note 9)	669,814	520,146
Amortisation of intangible assets (refer note 10)	-	-
	669,814	520,146
20 Other expenses		
Rent	6,413,336	5,912,384
Travelling and conveyance	49,667	4,309,298
Legal and professional charges (refer note 20A)	32,399,489	13,946,287
Consultancy Charges	7,754,488	5,755,890
Printing and stationery	26,121	260,690
Conference and training expenses	182,656	1,223,924
Communication expenses	161,575	226,451
Subscription	1,335,614	637,289
Sponsorship charges	500,000	500,000
Rates and taxes	4,452,157	370,017
Website maintenance and internet expenses	140,817	175,460
Sitting Fees	600,000	150,000
Net loss on account of foreign exchange fluctuations	130,957	38,497
Miscellaneous expenses	263,283	183,149
	54,410,160	33,689,336
20A Payments to auditor (excluding goods and services tax)		
Statutory audit	568,000	400,000
Tax audit	50,000	50,000
Out of pocket expenses	13,500	13,500
	631,500	463,500
21 Taxation		

The Company is registered under Section 12AA of the Income Tax Act, 1961 and hence is exempt from taxes on income when they are applied for charitable purpose in India.



22 Employee benefits: Post-employment benefit plan

Defined Benefit Plan

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past services and the fair value of any plan assets are deducted. The Calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

	As at March 31, 2021	As at March 31, 2020
Summary of assets and liabilities as at the year end:		
Fair value of plan assets	-	-
Present value of obligations	1,657,478	1,107,039
Liability recognized in the balance sheet	1,657,478	1,107,039
Movement in fair value of plan assets		
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (loss) / gain	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-
Movement in present values of defined benefit obligation		
Present value of obligations as at the beginning of the year	1,107,039	722,204
Interest cost	71,661	53,169
Current service cost	463,691	154,326
Past service cost	-	-
Benefits paid	-	-
Actuarial (gain) / loss on obligation	15,087	177,340
Present value of obligations as at the end of the year	1,657,478	1,107,039
Reconciliation		
Net liability as the beginning of the year	1,107,039	722,204
Net expenses in statement of profit and loss	550,439	384,835
Benefits paid	-	-
Net liability as the end of the year	1,657,478	1,107,039
The Liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	121,492	93,916
Non-current	1,535,986	1,013,123
	1,657,478	1,107,039

	For the year ended March 31, 2021	For the year ended March 31, 2020
Amounts to be recognized in the statement of profit and loss		
Interest cost	71,661	53,169
Current service cost	463,691	154,326
Past service cost	-	-
Net actuarial (gain) / loss	15,087	177,340
Net expenses to be recognized in the statement of profit and loss	550,439	384,835

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting date:

	As at March 31, 2021	As at March 31, 2020
Interest Rate (Liabilities)	6.80%	6.76%
Mortality Table	IALM (2012-14) Ult.	IALM (2012 - 14) Ult.
Attrition rate	PS: 0 to 5 : 3%	PS: 0 to 5 : 3%
	PS: 5 to 10 : 2%	PS: 5 to 10 : 2%
	PS: 10 to 15:1%	PS: 10 to 15:1%
	PS: 15 to 40: 0%	PS: 15 to 40: 0%
Salary Escalation Rate	5%	5%



Dvara Research Foundation**Notes to the financial statements for the year ended March 31, 2021**

(All amounts are in Indian Rupees, except share data and as otherwise stated)

Note:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors. Further, the Management revisits the assumptions such as attrition rate, salary escalation etc., taking into account, the business conditions, various external / internal factors affecting the Company.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

Five year information

Amounts for the current and previous periods are as follows:

Particulars	As at		As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	
Present value of benefit obligations	1,657,478	1,107,039	722,204	651,952	1,493,672	
Fair value of plan assets	-	-	-	-	-	
Excess of obligation over plan assets	1,657,478	1,107,039	722,204	651,952	1,493,672	
Experience adjustment on plan liabilities - loss / (gain)	550,439	384,835	70,252	(841,720)	319,675	
Experience adjustment on plan assets (gain) / loss	-	-	-	-	-	



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

23 Earnings per share:	For the year ended March 31, 2021	For the year ended March 31, 2020
Shareholders earnings (surplus / (deficit) after tax as per statement of income and expenditure)	(20,742,475)	(6,865,845)
Weighted average number of equity shares outstanding during the year (basic)	10,000	10,000
Weighted average number of equity shares outstanding during the year (diluted)	10,000	10,000
Face value per share (INR)	10	10
Earnings per share (INR) - Basic	(2,074.25)	(686.58)

24 Grants received from foreign and local sources are as follows:

Particulars	Purpose	For the year ended March 31, 2021	For the year ended March 31, 2020
Grants from foreign sources			
Bill and Melinda Gates Foundation	To research the nature and extent of exclusion of poor people from social security schemes in India and identify the root causes and potential solutions.	-	30,916,916
Omidiyar Network Services LLC	For Household Finance Research to develop research on household finance in India	3,696,625	-
Grants from local sources			
Dvara Trust	For utilising in connection with the various activities of research initiatives of the foundation in relation to its objectives	43,000,000	-
Northern Arc Capital Limited	Project for Financial Inclusion whose objective is to measure the financial inclusion.	-	11,300,000
Northern Arc Investment Manager Private Limited	Project for Financial Inclusion whose objective is to measure the financial inclusion.	-	2,700,000
Northern Arc Foundation	To carry out various corporate social responsibility activities	-	5,000,000
		46,696,625	49,916,916

24A Grants received from foreign and local sources are as follows:

Particulars	Purpose	For the year ended March 31, 2021	For the year ended March 31, 2020
Grants from local sources			
S M I L E Microfinance Limited	For study on household finance and/or other streams of activity in finance for common benefit.	300,000	-
		300,000	-

25 Related party disclosures

a. Name of the related party and nature of relationship:

Nature of relationship	Name of the related party
Holding Entity	Dvara Trust
Trustee of Holding entity	Dvara Holdings Services Private Limited (Previously Dvara Trusteeship Services Private Limited) Dvara Kshetriya Gramin Financial Services Private Limited
Entities wherein directors have significant influence	Dvara Solutions Private Limited Dvara SmartGold Private Limited
Key Managerial Personnel (KMP)	Bindu Ananth, Director Indradeep Ghosh, Executive Director (with effect from November 1, 2019)

b. Transactions during the year

	For the year ended March 31, 2021	For the year ended March 31, 2020
Dvara Trust		
Infrastructure cost	5,520,000	4,556,250
Employee sharing cost	1,863,000	1,800,000
Reimbursement of expenses	1,038,467	928,113
Grant received	43,000,000	-
Advance received	3,347,377	6,915,145
Advance paid	31,985,600	6,427,428
Dvara SmartGold Private Limited		
Staff welfare	58,842	-



Dvara Research Foundation
Notes to the financial statements for the year ended March 31, 2021
 (All amounts are in Indian Rupees, except share data and as otherwise stated)

25 Related party disclosures (continued)	For the year ended March 31, 2021	For the year ended March 31, 2020
Bindu Ananth		
Professional fees	-	5,013,283
Sitting fees	150,000	75,000
Indradeep Ghosh		
Salaries and allowances	6,324,432	2,500,000
Reimbursement of expenses	-	391,981
	As at	As at
c. Balance outstanding at the year end:	March 31, 2021	March 31, 2020
Dvara Trust		
Other current liabilities	-	31,140,021
Trade payables	6,142,590	-
Dvara Solutions Private Limited		
Other current liabilities	-	3,600
Bindu Ananth		
Professional fees payable	-	4,513,755
26 Segment reporting		
The Company is primarily engaged in the business of providing access to financial services to the under-served population in the country. All activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segment Reporting".		
27 Commitments and contingent liabilities	As at	As at
	March 31, 2021	March 31, 2020
Income tax related matters		
AY 2009-10 - Disallowance of grants disbursed prior to incorporation and staff costs	4,843,630	4,843,630
AY 2016-17 - Disallowance of employee benefit expense, rent and legal and professional	5,029,352	5,029,352
AY 2017-18 - Disallowance of employee benefit expense, rent and legal and professional	8,293,138	8,293,138
Total	18,166,120	18,166,120
The Company has deposited the following amounts with the concerned authorities against the above demands.		
- INR 1,839,402 during financial year 2011-12 against the original demand of INR 4,843,630.		
- INR 1,005,871 during financial year 2018-19 against the original demand of INR 5,029,352.		
- INR 1,658,628 during financial year 2019-20 against the original demand of INR 8,293,138.		
28 Earning in foreign currency	For the year ended March 31, 2021	For the year ended March 31, 2020
Grants received	3,696,625	30,916,916
29 Expenditure in foreign currency	For the year ended March 31, 2021	For the year ended March 31, 2020
Travelling and conveyance	-	380,568
Communication expenses	42,903	49,363
Consultancy Charges	-	304,588
Legal and professional charges	1,197,352	948,575
Conference and training expenses	131,479	173,772
Subscription	228,641	163,736
Website maintenance and internet expenses	39,896	6,727
Total	1,640,271	2,027,328



Dvara Research Foundation

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

(All amounts are in Indian Rupees, except share data and as otherwise stated)

30 Micro and small enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	As at March 31, 2021	As at March 31, 2020
The amounts remaining unpaid to micro and small suppliers as at end of the period / year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of payments made to the micro and small suppliers beyond the appointed day during each accounting period / year	-	-
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 period / year) but without adding the interest specified under MSMED Act, 2006	-	-
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 enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-
	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/ suppliers.

31 Impact of COVID-19 pandemic

The ongoing COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the financial markets and a slowdown in economic activities. The impact of pandemic on the economy is uncertain and would also be dependent upon future developments including various measures taken by the Government, responses of businesses, consumers etc. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered the possible effects that may result from the pandemic on carrying value of property, plant and equipment, receivables, other assets and liabilities. In developing the assumptions relating to possible future uncertainties in economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used available internal and external sources of information and has concluded that no adjustments are required to these financial statements. The Company will continue to monitor the developing scenario for any material changes.

32 Disclosure of specified bank notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2021.

33 Restructuring

The Board of Dvara Holdings Private Limited (formerly known as Dvara Trusteeship Services Private Limited) (trustee of Dvara Trust, Holding Company), vide its board meeting dated 12 March 2021, had approved a plan for restructuring of Dvara Trust and the Company on a going concern basis with effect from 1 April 2021. Pursuant to the said plan, the Holding Company is in the process of transferring its assets, employees, vendors and other business contracts to other entities within the Group. The management confirms that no adjustments are required to be made to this effect in the financial statements for the year ended 31 March 2021.

34 Prior year comparatives have been regrouped/reclassified wherever necessary to conform to current year's presentation.

for **BSR & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022



Naveen Raj R
Partner
Membership No: 217772

Place: Chennai
Date: 29 September 2021

for and on behalf of the Board of Directors of
Dvara Research Foundation
CIN: A7190TN2008NPL068733



Indradeep Ghosh
Director
DIN: 08592589

Place: Chennai
Date: 29 September 2021



Samir Amrit Shah
Director
DIN: 00912693

Place: Chennai
Date: 29 September 2021