

INDEPENDENT AUDITOR'S REPORT

To the Members of Ebix Vayam Technologies Private Limited Report on the Audit of Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Ebix Vayam Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as 'standalone financial statement']).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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 Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Standalone 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.

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

The Company's Board of Directors is responsible for the preparation of Director's Report and other related information ("other information"). The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it became available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 'Other information', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the governance and take appropriate actions, if required.



Responsibility of Management and Those charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

The Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of the sub section 11 of the section 143 of the Act, we give in "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.



- (e) On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position;
 - II. The Company did not have any long-term contracts including derivative contracts for which they 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

For **KG Somani & Co LLP**
Chartered Accountants
Firm Registration No.: 006591N/N500377



Karan Chadha

Partner

Membership No.: 522201

UDIN: 21522201AAAAEC6711



Place: Noida

Date: 2 November, 2021

Annexure A to the independent Auditor's Report of even date to the members of Ebix Vayam Technologies Private Limited, on the financial statement for the year ended 31 March, 2021:

Annexure A

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
 - (c) The title deed of leasehold land is held in the name of the Company.
2. The Company has no inventories and therefore, no comment is required to be made in respect of the matters specified in clause (ii) of Paragraph 3 of the Order.
3. According to the information and explanation given to us, the Company has granted unsecured inter corporate deposits to companies covered in the register maintained under section 189 of the Companies Act, 2013. In respect of such inter corporate deposits:
 - a) The terms and conditions of the grant of such inter corporate deposits are, in our opinion, prima facie, not prejudicial to the company's interest.
 - b) The repayment of principal and the interest is payable on demand. As explained by the management, the Company has not called for repayment of principal and interest till 31st March 2021, therefore, regularity of the receipt against principal and interest cannot be commented upon by us.
 - c) There is no overdue amount remaining outstanding as at the year-end.
4. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans/ inter corporate deposits given by the Company,
5. The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the Rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7.
 - a. According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including employees state insurance, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it. Further, there were no arrears of undisputed statutory dues as at 31st March 2021, which were outstanding for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, there are no statutory dues which have not been deposited on account of any dispute.



8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any loan or borrowing from financial institutions, banks, Government or debenture holders. Accordingly, clause 3 (viii) of the Order is not applicable to the Company.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
11. The provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable for Private Limited Company. Accordingly, clause 3 (xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable to the company.

For **KG Somani & Co LLP**
Chartered Accountants
Firm Registration No.: 006591N/N500377



Karan Chadha

Partner

Membership No.: 522201

UDIN: 21522201 AAAAEC 6711

Place: Noida

Date: 2 November, 2021



Annexure B to the independent Auditor's Report of even date to the members of Ebix Vayam Technologies Private Limited, on the financial statement for the year ended 31 March, 2021:

Annexure B

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

We have audited the internal financial controls over financial reporting of Ebix Vayam Technologies Private Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain the adequacy of the internal financial control system with reference to the financial statements and their operating effectiveness. Our audit of internal financial control with reference to the financial statements included obtaining an understanding of internal financial control with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the financial statements and such internal financial controls over financial reporting with reference to the financial statements were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KG Somani & Co LLP**

Chartered Accountants

Firm Registration No.: 006591N/N500377


Karan Chadha

Partner

Membership No.: 522201

UDIN: 21522201AAAAEC6711

Place: Noida

Date: 2 November, 2021



Ebix Vayam Technologies Private Limited

CIN: U72300UP2016PTC077148

Balance Sheet as at March 31, 2021

Amount (Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	0.02	0.02
Financial Assets			
(i) Other - Security Deposit	4	0.65	0.65
Total Non-Current Assets		<u>0.67</u>	<u>0.67</u>
Current Assets			
Financial Assets			
(i) Trade Receivables	5	15,469.07	14,574.21
(ii) Cash and Cash Equivalents	6	3.96	115.89
(iii) Bank Balances other than (ii) above	7	2,927.05	2,491.62
(iv) Other Current Financial Assets	8	162.11	269.11
Current Tax Assets (Net)	9	48.11	84.75
Other Current Assets	10	1,436.31	944.39
Total Current Assets		<u>20,046.61</u>	<u>18,479.97</u>
Total Assets		<u>20,047.28</u>	<u>18,480.64</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	1.00	1.00
Other Equity	12	(7,168.30)	(10,426.69)
Total Equity		<u>(7,167.30)</u>	<u>(10,425.69)</u>
Liabilities			
Current Liabilities			
Financial Liabilities			
(i) Short Term Borrowings	13	22,791.81	24,807.58
(ii) Trade Payables			
Total outstanding dues of creditors other than micro and small enterprises.		975.89	583.17
(iii) Other Current Financial Liabilities	14	1,859.04	1,581.21
Other Current Liabilities	15	1,587.84	1,934.37
Total Current Liabilities		<u>27,214.58</u>	<u>28,906.33</u>
Total Liabilities		<u>27,214.58</u>	<u>28,906.33</u>
Total Equity and Liabilities		<u>20,047.28</u>	<u>18,480.64</u>

See accompanying significant accounting policies and notes to the financial statements - 1 to 33.
This is the Balance Sheet referred to in our report of even date

for **KG Somani & Co. LLP**

Chartered Accountants

Firm Registration No.: 006591N/N500377


Karan Chadha

Partner

M. No.: 522201

Place: Noida

Date: 2-November-2021

UDIN: 21522201AAAAEC6711



On behalf of the board of directors



Sanjay Singh

Director

DIN 07637953

Place: NOIDA

Date: 02-11-2021



Raman Singh Bhati

Director

DIN 07879660

Place: NOIDA

Date: 02-11-2021



Ebix Vayam Technologies Private Limited
CIN: U72300UP2016PTC077148
Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note No.	Amount (Rs. In Lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
Revenue			
Revenue from Operations	16	401.40	981.73
Other Income	17	5,361.75	329.70
		5,763.15	1,311.43
Expenses			
Purchase of Stock-in-Trade		-	694.52
Employee Benefits Expense	18	4.04	5.05
Finance Costs	19	2,009.78	1,756.90
Depreciation Expense	3	-	0.04
Other Expenses	20	487.49	8,982.72
		2,501.31	11,439.23
Profit/Loss Before Tax		3,261.84	(10,127.80)
Tax Expense:			
Current Tax-Earlier Years	21	3.45	-
Profit/Loss After Tax		3,258.39	(10,127.80)
Earnings per Equity Share	22		
Basic / Diluted (Amount in Rs.)		32,583.90	(101,278.00)

See accompanying significant accounting policies and notes to the financial statements - 1 to 33.

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

for **KG Somani & Co. LLP**

Chartered Accountants

Firm Registration No.: 006591N/N500377



(Signature)

Karan Chadha

Partner

M. No.: 522201

Place: Noida

Date: 2-November-2021

On behalf of the board of directors

(Signature)

Sanjay Singh

Director

DIN 07637953

Place: NOIDA

Date: 02-11-2021

(Signature)

Raman Singh Bhati

Director

DIN 07879660

Place: NOIDA

Date: 02-11-2021



Ebix Vayam Technologies Private Limited
Statement of Changes in Equity for the year ended March 31, 2021

Amount (Rs. In Lakhs)

(a) Equity Share Capital

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the year	10,000	1.00	10,000	1.00
As at the end of the year	<u>10,000</u>	<u>1.00</u>	<u>10,000</u>	<u>1.00</u>

(b) Other Equity

Reserves & Surplus

As at March 31, 2019

Loss for the year

As at March 31, 2020

Loss for the year

As at March 31, 2021

Retained Earnings

(298.89)

(10,127.80)

(10,426.69)

3,258.39

(7,168.30)

Total

(298.89)

(10,127.80)

(10,426.69)

3,258.39

(10,566.62)

See accompanying significant accounting policies and notes to the financial statements - 1 to 33.
 This is Statement of Changes in Equity referred to in our report of even date

for **KG Somani & Co. LLP**

Chartered Accountants

Firm Registration No.: 006591N/N500377

On behalf of the board of directors



Karan Chadha

Partner

M. No.: 522201





Sanjay Singh

Director

DIN 07637953



Ramán Singh Bhati

Director

DIN 07879660

Place: Noida

Date: 2-November-2021

Place: NOIDA

Date: 02-11-2021

Place: NOIDA

Date: 02-11-2021



Ebix Vayam Technologies Private Limited
CIN: U72300UP2016PTC077148
Statement of Cash Flow for the year ended March 31, 2021

Amount (Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flows from Operating Activities		
Loss Before Tax	3,261.84	(10,127.80)
Adjustments For:		
a) Interest Income	(174.18)	(191.64)
b) Interest Expense	2,009.78	1,756.96
c) Depreciation	-	0.04
d) Provision for Doubtful Debts	(5,187.57)	8,521.73
Operating Cash Loss before Working Capital Changes	(90.13)	(40.71)
Changes in Working Capital:		
a) Increase/(Decrease) in Trade Payables	392.72	(2,840.37)
b) Increase/(Decrease) in Other Current Liabilities	(346.53)	(196.25)
c) Increase/(Decrease) in Other Current Financial Assets	-	(10.00)
d) (Increase)/Decrease in Other Non Current Financial Assets	-	10.00
f) (Increase)/Decrease in Trade Receivables	4,292.71	(566.68)
g) (Increase)/Decrease in Other Current Assets	(491.92)	316.50
Cash Generated from/ (used in) Operations	3,756.85	(3,327.51)
Less: Income Tax Paid (Net of Refunds)	33.19	(47.45)
Net Cash Generated from/ (used in) Operating Activities (A)	3,790.04	(3,374.96)
B Cash Flow from Investing Activities:		
Interest Received	281.18	165.59
Investment (in) / Withdrawal from Fixed Deposits	(435.43)	790.93
Net Cash Generated from/ (Used in) Investing Activities (B)	(154.25)	956.52
C Cash Flow from Financing Activities:		
Net proceeds/(Repayment) of Short Term Borrowings	(2,015.77)	3,374.72
Interest Paid	(1,731.95)	(1,076.62)
Net Cash generated from/ (used in) Financing Activities (C)	(3,747.72)	2,298.10
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(111.93)	(120.34)
Cash and Cash Equivalents at the Beginning of the year	115.89	236.23
Cash and Cash Equivalents at the End of the year	3.96	115.89
Components of cash and cash equivalents		
Balance with Bank in Current Accounts	3.96	115.89
Total cash and cash equivalents	3.96	115.89

See accompanying significant accounting policies and notes to the financial statements - 1 to 33.

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

for **KG Somani & Co. LLP**

Chartered Accountants

Firm Registration No.: 006591N/N500377



Karan Chadha
Partner
M. No.: 522201



Place: Noida
Date: 2-November-2021

On behalf of the board of directors



Sanjay Singh
Director
DIN 07637953



Raman Singh Bhati
Director
DIN 07879660

Place: NOIDA
Date: 02-11-2021

Place: NOIDA
Date: 02-11-2021



Ebix Vayam Technologies Private Limited
Notes to Accounts for the year ended 31st March 2021

1. Reporting Entity

Ebix Vayam Technologies Private Limited (the "Company") is a Private Limited Company incorporated and domiciled in India and limited by shares. The Company is a subsidiary of Ebix Cash Private Limited (Erstwhile "EBIX Software India Private Limited"). It carries out IT and other projects in the government sector. The Company has its registered office in Noida, U.P. India.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance

The Company has prepared financial statements for the year ended March 31, 2021 on a going concern basis following accrual system of accounting and comply with Indian Accounting Standards (Ind AS) as specified under Section 133 of Companies Act 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values 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.

c) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency.

d) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

e) Use of Judgment and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.



Critical Accounting Estimates

(i) Useful life of Property, Plant and Equipment

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(ii) Intangible Assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line basis over the estimated useful life. Estimated useful life of the Software/Licenses is considered as 3 years. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

(iii) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(iv) Income Taxes & Deferred Taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

(v) Impairment Testing

Intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.



(vi) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Property, plant and equipment:

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorized as investment property.

Any gain/ loss on disposal of property, plant and equipment is recognized in Statement of Profit and loss.

(ii) Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

(iii) Depreciation methods, estimated useful lives and residual value

Depreciation on fixed assets is calculated on Written down Value Method (WDV) using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

Asset Category	Life (yrs.)
Computers	3



(iv) Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangible assets having a finite life are subsequently carried at cost less any accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

(v) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36- 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.



g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instrument at fair value through Other Comprehensive Income (FVTOCI)
- Debt instrument at fair value through profit and loss (FVTPL)
- Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI)



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at Fair value through profit or loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.



When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with the assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognized from initial recognition of receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analyzed.

Financial liabilities

Initial recognition and measurement

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.



Subsequent measurement

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

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.



If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

h) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

i) Revenue Recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.



Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company disaggregates revenue from contracts with customers by the nature of goods and services.

Interest Income

Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

Dividend Income

Dividend income is recognized, when the right to receive the dividend is established.

j) Foreign currency transactions

a. On Initial Recognition, foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

k) Employee benefits

a. Short term employee benefits

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Defined contribution and benefit plans

The Company has no obligation in respect of long-term employee benefits. Further, the company has no defined contribution plan for the employees as the number of employees are less than the minimum statutory limit. Therefore, no provision has been made for the same.



l) Borrowing Cost

Borrowing costs consist of interest expense calculated using the effective interest method as described in Ind AS 109 – ‘Financial Instruments’

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Other borrowing costs are expensed in the period in which they are incurred.

m) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- i) Has a legally enforceable right to set off the recognized amounts; and
- ii) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognized using balance sheet approach on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.



Ebix Vayam Technologies Private Limited
Notes to Accounts for the year ended 31st March 2021

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax items are recognized in correlation to underline transactions either in Other Comprehensive Income or directly in Equity.

n) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence 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. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.



o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p) Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors are the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, finance costs, income tax expenses and head office income.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, head office assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

q) Earnings per Equity share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

r) Recent accounting pronouncements: Standards issued but not yet effective.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. As on date there is no notification which would have been applicable from April 1, 2021.





Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

Note No.

3 Property, Plant and Equipment

Particulars	Gross Block		Accumulated Depreciation		Net Block	
	As at April 1, 2020	As at March 31, 2021	As at April 1, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible Assets						
Office Equipment - Computers	0.46	0.46	0.44	0.44	0.02	0.02
Total	0.46	0.46	0.44	0.44	0.02	0.02

Particulars	Gross Block		Accumulated Depreciation		Net Block	
	As at April 1, 2019	As at March 31, 2020	As at April 1, 2019	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets						
Office Equipment - Computers	0.46	0.46	0.40	0.04	0.02	0.06
Total	0.46	0.46	0.40	0.04	0.02	0.06

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Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
	FINANCIAL ASSETS		
4	Other Non-Current Financial Assets (Unsecured, considered good)		
	Security deposits	0.65	0.65
		<u>0.65</u>	<u>0.65</u>
	CURRENT ASSETS		
5	Trade Receivables		
	<i>Unsecured, considered good (except to the extent provided for)</i> From related parties (Refer Note 26)	18,803.23	23,095.94
	Less: Allowance for Doubtful Debts	3,334.16	8,521.73
		<u>15,469.07</u>	<u>14,574.21</u>
	The amount receivable represents receivables from M/s Vayam Technologies Ltd. (Vayam), which is mainly against material and services supplied/provided by the Company to Vayam under back to back arrangement for supply of material and services, entered into between Vayam and Bharat Sanchar Nigam Limited (BSNL). As per arrangement with Vayam, amount received from BSNL shall be credited to the Company's Bank account as per the standing instructions to the bank account belonging to Vayam. Vayam is continuously following up with BSNL for recovery which is delayed due to paucity of funds at BSNL. However, the company is confident of receiving this amount as the Government of India has approved funding to BSNL. The provision for doubtfulness has been made as a matter of abundant precaution. Trade receivables include Accrued revenue of Rs. 1,419.89 Lacs (Previous Year Rs. 1,465.20 Lacs).		
6	Cash and Cash Equivalents		
	Balance with banks: - In current account	3.96	115.89
		<u>3.96</u>	<u>115.89</u>
7	Other Bank Balances		
	In deposits accounts* - Original Maturity of 3-12 months - Original Maturity of more than 12 months	505.88 2,421.17	702.61 1,789.01
		<u>2,927.05</u>	<u>2,491.62</u>
	*Held as Margin money against Bank Guarantees (Refer Note 26).		
8	Other Current Financial Assets		
	Security deposit with government authorities Interest accrued on fixed deposits	10.00 152.11	10.00 259.11
		<u>162.11</u>	<u>269.11</u>
9	Non-Current Tax Assets (Net)		
	Advance tax (Net of provision for income tax)	48.11	84.75
		<u>48.11</u>	<u>84.75</u>
10	Other Current Assets		
	Advances to vendors Taxes and duties recoverable Prepaid Expenses Other Advances	580.08 619.40 224.47 12.36	428.70 252.11 253.15 10.43
		<u>1,436.31</u>	<u>944.39</u>

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Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

Note No.	Particulars	Amount (Rs. in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
11	EQUITY		
	Share Capital		
	a. Authorised:		
	10,000 (As at March 31, 2020 : 10,000) equity shares of Rs. 10 each	1.00	1.00
	b. Issued, subscribed & paid up:		
	10,000 (As at March 31, 2020 : 10,000) equity shares of Rs. 10 each fully paid up	1.00	1.00
		<u>1.00</u>	<u>1.00</u>

c. Terms and rights attached to Equity Shares

The Company has only one class of Equity shares each having a par value of Rs. 10/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of the Companies Act, 2013. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

d. Reconciliation of Number of Equity Shares outstanding at the beginning and end of the year :

	No. of Shares	Amount
As at the April 1, 2019	10,000	1.00
As at March 31, 2020	10,000	1.00
As at March 31, 2021	<u>10,000</u>	<u>1.00</u>

e. Shareholders holding more than 5% of the Equity shares in the company

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Ebixcash Private Ltd.	5,100	51	5,100	51
Vayam Technologies Limited	<u>4,900</u>	<u>49</u>	<u>4,900</u>	<u>49</u>

The company is a subsidiary of EbixCash Private Limited, with Ebix Inc. USA as its ultimate holding company

12 **Other Equity**

a. Retained earnings

	Reserves & Surplus	
	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	(10,426.69)	(298.89)
Add: Loss for the year after tax	3,258.39	(10,127.80)
	<u>(7,168.30)</u>	<u>(10,426.69)</u>

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Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

		Amount (Rs. In Lakhs)	
Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
	CURRENT LIABILITIES		
13	Short Term Borrowings		
	<i>Unsecured</i>		
	- Inter corporate deposit from related parties (Refer Note 26)*	22,791.81	24,807.58
		<u>22,791.81</u>	<u>24,807.58</u>
	*Above inter corporate deposit carries interest @ 8.00 % (previous year 7.10%) per annum and is repayable out of project receivables.		
14	Other Current Financial Liabilities		
	Interest accrued and due on inter corporate deposit from related parties (Refer Note 26)	1,859.04	1,581.21
		<u>1,859.04</u>	<u>1,581.21</u>
15	Other Current Liabilities		
	Statutory dues	152.72	176.27
	Management Fee Payable from related party (Refer Note 26)	1,082.19	1,111.16
	Other Payable	352.93	646.94
		<u>1,587.84</u>	<u>1,934.37</u>

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Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

Amount (Rs. In Lakhs)

Note No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
16	Revenue from Operations		
	Sale of Goods (Refer Note 26)	-	574.69
	Sale of Services (Refer Note 26)	401.40	407.04
		<u>401.40</u>	<u>981.73</u>
17	Other Income		
	Interest income		
	- On bank deposits	171.05	191.64
	- On Income tax refunds	3.13	-
	Excess Provision Written Back	5,187.57	138.04
	Miscellaneous Income	-	0.02
		<u>5,361.75</u>	<u>329.70</u>
18	Employee Benefits Expense		
	Salaries and wages	4.04	5.05
		<u>4.04</u>	<u>5.05</u>
19	Finance Cost		
	Interest on inter corporate deposit from related parties (Refer Note 26)	2,009.78	1,756.90
		<u>2,009.78</u>	<u>1,756.90</u>
20	Other Expenses		
	Maintenance Cost	412.84	313.26
	Exchange Fluctuation	(1.60)	103.18
	Rent	3.20	3.20
	Legal, Professional and Consultancy Charges	21.52	4.88
	Rates and Taxes	0.07	0.03
	Freight and Forwarding Charges	5.25	29.81
	Provision for Doubtful Debts	-	8,521.73
	Payment to Auditors (Refer Note 20.1)	2.05	2.06
	Miscellaneous Expenses	44.16	4.57
	Total	<u>487.49</u>	<u>8,982.72</u>
20.1	Payment to Auditors as:		
	Statutory Auditor		
	Audit Fees	1.55	1.50
	Tax Audit Fees	0.50	0.50
	Out of Pocket Expenses	-	0.06
		<u>2.05</u>	<u>2.06</u>
21	Tax Expenses		
21.1	Income Tax Expenses		
	Current Tax		
	Tax expense for prior period	3.45	-
	Current year charge	-	-
		<u>3.45</u>	<u>-</u>
	Deferred Tax		
	Change in recognised temporary differences	-	-
		<u>-</u>	<u>-</u>
	Total Tax Expenses	<u>3.45</u>	<u>-</u>



Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

Amount (Rs. In Lakhs)

Note No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
21.2	Reconciliation of Effective Tax Rate		
	Profit/(Loss) before Tax	3,261.84	(10,127.80)
	Applicable Tax Rate (%)	25.17	25.17
	Computed Tax Expenses	820.94	(2,548.96)
	Tax Effect of:		
	Deferred Tax asset not created on temporary differences / unabsorbed depreciation or carried forward losses	(820.94)	2,548.96
	Tax Expenses Recognised in Profit and Loss	-	-
	Effective Tax Rate	-	-
22	Earnings Per Equity Share		
	Profit/ Loss for the Year	3,258.39	(10,127.80)
	Weighted Average Number of Equity Shares of Rs. 10/- each	10,000	10,000
	EPS - Basic and Diluted (Amount in Rs.)	32,583.90	(101,278.00)

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Note No.

23 No Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMED Act, 2006") is required since, as per the information obtained from the vendors no enterprise falls within the definition of said Act.

24 Contingent Liabilities, Contingent Assets and Commitments

Contingent Liabilities and Contingent Assets

Bank Guarantees provided on behalf of third party (Refer Note No. 26) - Rs. 2,927.04 Lakhs (As at March 31, 2020 - Rs. 2,491.62Lakhs)

25 Segment Information:

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating segments

The Management Information System of the Company identifies and monitors business of IT and other projects in government sector as the business segment. The Company is managed organizationally as a single unit. As the basic nature of these activities are governed by the same set of risks and returns, these constitute and are grouped as a single segment. Accordingly, there is only one Reportable Segment for the Company, hence, no specific disclosures have been made.

Entity wise disclosures

A. Information about products and services

During the year, the Company primarily operated in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The company derives revenue from following major geographical areas:

Area	For the year ended	
	March 31st 2021	March 31st 2020
Domestic	401.40	981.73

Domestic segment revenue includes sales and services to customers located in India.

C. Information about major customers (from external customers)

The company has derived entire revenue of Rs. 401.40 Lakhs (Previous Year Rs. 981.73 Lakhs) from one party M/s Vayam Technologies Ltd.

26 Related Party Disclosure:-

I List of Related Parties:-

A. Ultimate Holding Company

Ebix Inc. USA

B. Holding Company

Ebixcash Private Limited

C. Enterprise having significant influence

Vayam Technologies Ltd.

D. Other related party with whom transactions took place

Fellow Subsidiary of Holding Company/ Ultimate Holding Company

Ebix Travel & Holidays Limited (Formerly Mercury Travels Limited)

E. Key Management Personnel

1	Mr. Jitendra Tiwari	Director
2	Mr. Sanjay Singh	Director
3	Mr. Jai Shankar Shukla	Director
4	Mr. Raman Singh Bhati	Director



II Transactions with Related Parties during the year ended 31-03-2021 in the ordinary course of business.

A. Transactions	For the year March 31, 2021	For the year March 31, 2020
Ebixcash Private Limited		
Inter corporate deposit taken	2,864.07	4,709.72
Repayment of Inter corporate deposit	4,879.83	1,335.00
Interest on Inter corporate deposit	2,009.78	1,756.90
Vayam Technologies Ltd.		
Sale of Goods/Services	401.40	981.73
Purchase of Services	6.48	41.45
Payment made by the company on behalf of Related Party	-	-
Ebix Travel & Holidays Limited		
Services received	-	1.10
B. Balances outstanding at the year end:		
Ebixcash Private Limited		
Inter Corporate Deposit	22,791.81	24,807.58
Interest on Inter Corporate Deposit	1,859.04	1,581.21
Management Fees payable	-	981.64
Vayam Technologies Ltd.		
Trade Receivables	18,803.23	23,095.94
Management Fees payable	99.37	129.52
Ebix Travel & Holidays Limited		
Amount Payable	-	-

*Transactions with related parties have been disclosed from or upto the date, the parties became/remain as related parties.

27 Employee benefits

The provisions of Payment of Gratuity Act 1972, Payment of Bonus Act,1965, Employees' Provident Fund and Miscellaneous Provisions Act, 1952 do not apply to the Company as the number of employees in the company is below the threshold limit of the respective Acts.

28 Deferred Tax Assets

As at March 31, 2021, the Company has carryforward of unused tax losses and therefore, deferred tax assets have not been recognised because it is not probable that future taxable profits will be available in foreseeable future, against which the unused tax losses can be utilized.

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Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021
All amounts are in INR Lakhs unless otherwise stated

Note No.

29 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category

The carrying value of financial instruments by categories as of March 31, 2021 is as given under:

Particulars	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Other Non-Current Financial Assets	-	0.65	-	0.65
Trade Receivables	-	15,469.07	-	14,574.21
Cash And Cash Equivalents	-	3.96	-	115.89
Other Bank Balances	-	2,927.05	-	2,491.62
Other Current Financial Assets	-	162.11	-	269.11
	-	18,562.84	-	17,451.48
Financial Liabilities				
Inter Corporate Deposit	-	22,791.81	-	24,807.58
Trade Payables	-	975.89	-	583.17
Other Current Financial Liabilities	-	1,859.04	-	1,581.21
	-	25,626.74	-	26,971.96

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Non-Current Financial Assets	-	-	0.65	0.65
Trade Receivables	-	-	15,469.07	15,469.07
Cash And Cash Equivalents	-	-	3.96	3.96
Other Bank Balances	-	-	2,927.05	2,927.05
Other Current Financial Assets	-	-	162.11	162.11
Total financial assets	-	-	18,562.84	18,562.84
Financial Liabilities				
Inter Corporate Deposit	-	-	22,791.81	22,791.81
Trade Payables	-	-	975.89	975.89
Other Current Financial Liabilities	-	-	1,859.04	1,859.04
Total financial liabilities	-	-	25,626.74	25,626.74

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Other Non-Current Financial Assets	-	-	0.65	0.65
Trade Receivables	-	-	14,574.21	14,574.21
Cash And Cash Equivalents	-	-	115.89	115.89
Other Bank Balances	-	-	2,491.62	2,491.62
Other Current Financial Assets	-	-	269.11	269.11
Total financial assets	-	-	17,451.48	17,451.48
Financial Liabilities				
Inter Corporate Deposit	-	-	24,807.58	24,807.58
Trade Payables	-	-	583.17	583.17
Other Current Financial Liabilities	-	-	1,581.21	1,581.21
Total financial liabilities	-	-	26,971.96	26,971.96

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.



Transfers between Levels 1 and 2

There are no transfers between level 1 and level 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other Non-Current Financial Assets	0.65	0.65	0.65	0.65
Trade Receivables	15,469.07	15,469.07	14,574.21	14,574.21
Cash And Cash Equivalents	3.96	3.96	115.89	115.89
Other Bank Balances	2,927.05	2,927.05	2,491.62	2,491.62
Other Current Financial Assets	162.11	162.11	269.11	269.11
	18,562.84	18,562.84	17,451.48	17,451.48
Financial liabilities				
Inter Corporate Deposit	22,791.81	22,791.81	24,807.58	24,807.58
Trade Payables	975.89	975.89	583.17	583.17
Other Current Financial Liabilities	1,859.04	1,859.04	1,581.21	1,581.21
	25,626.74	25,626.74	26,971.96	26,971.96

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables, borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

II. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Risk Management Framework

The company is exposed primarily to credit, liquidity and market risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

I. Credit Risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 15,202.33 Lakhs as on 31.3.21 and Rs. 17,451.48 Lakhs as on 31.3.20 being the total carrying value of trade receivables, cash & cash equivalents, other bank balances and other financial assets.

Trade Receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The gross carrying amount of trade receivables is Rs. 18,806.16 2 Lakhs (As at 31st March 2020: 23,095.94 Lakhs)

During the year, The Company management also pursues all options for recovery of dues wherever necessary based on its internal assessment. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by management.

Movements in allowance for credit losses of receivables is as below:

	AS AT March 31, 2021	AS AT March 31, 2020
Opening balance	8,521.73	-
Changes in loss allowance calculated at life time expected credit losses	(5,187.57)	8,521.73
Closing balance	3,334.16	8,521.73



ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are to be settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying Amounts	Total	Upto 1 year	Contractual cash flows		
	March 31, 2021			Between 1 and 2 years	Between 2 and 5 years	More than 5 year years
Non-derivative financial liabilities						
Borrowings	22,791.81	22,791.81	22,791.81	-	-	-
Trade payables	975.89	975.89	975.89	-	-	-
Other current financial liabilities	1,859.04	1,859.04	1,859.04	-	-	-
Total non-derivative liabilities	25,626.74	25,626.74	25,626.74	-	-	-

Particulars	Carrying Amounts	Total	Upto 1 year	Contractual cash flows		
	March 31, 2020			Between 1 and 2 years	Between 2 and 5 years	More than 5 year years
Non-derivative financial liabilities						
Borrowings	24,807.58	24,807.58	24,807.58	-	-	-
Trade payables	583.17	583.17	583.17	-	-	-
Other current financial liabilities	1,581.21	1,581.21	1,581.21	-	-	-
Total non-derivative liabilities	26,971.96	26,971.96	26,971.96	-	-	-

iii. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

a) Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currency of the company.

Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	-	-
Financial Liabilities		
Trade payables	5.80	0.35
Net statement of financial position exposure	5.80	0.35

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD	(0.22)	0.22	(0.22)	0.22
March 31, 2020				
USD	(0.01)	0.01	(0.01)	0.01

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily relates to the fixed deposits and borrowings. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:



Ebix Vayam Technologies Private Limited
Notes to the Financial Statements for the year ended March 31, 2021
All amounts are in INR Lakhs unless otherwise stated

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Fixed Rate Instruments		
Financial Assets	2,927.05	2,491.62
Financial Liabilities	-	-
	2,927.05	2,491.62
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	22,791.81	24,807.58
	(22,791.81)	(24,807.58)
Sensitivity analysis		

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2021				
Variable Rate Instruments	(175.77)	175.77	(175.77)	175.77
Cash flow sensitivity (net)	(175.77)	175.77	(175.77)	175.77
March 31, 2020				
Variable Rate Instruments	(191.32)	191.32	(191.32)	191.32
Cash flow sensitivity (net)	(191.32)	191.32	(191.32)	191.32

30 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Board of directors of the Company review the capital structure of the Company on an ongoing basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The funding requirement is met through a mixture of equity, internal accruals and inter corporate deposits. The Company monitors capital using gearing ratio which is net debt divided by total capital plus debt. Net debt comprises of inter corporate deposits less cash and cash equivalent. Capital of the company includes equity share capital, securities premium and all other reserves attributable to the equity holders of the company.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Total Debt	24,650.85	26,388.79
Less : Cash and cash equivalents	3.96	115.89
Net debt (a)	24,646.89	26,272.90
Equity (b)	(7,167.30)	(10,425.69)
Equity and Debt (c= a+b)	17,479.59	15,847.21

31 The outbreak of Coronavirus (Covid-19) pandemic globally is causing slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures are taken to contain the spread of virus, including travel restrictions, quarantines, social distancing and closure of non-essential services. The potential impact to our results going forward will depend to a large extent on future developments regarding COVID-19 that can not be accurately predicted at this point in time, including the duration and severity of the pandemic, the extent and effectiveness of containment actions and the impact of these and other factor on our employees, customers and vendors. The company, as on the date of approval of the financial statement believes there is no significant impact of COVID-19 on the underlying assumptions and estimates that have been used to prepare these statements.

32 The net worth of the Company is completely eroded due to losses incurred in the earlier years and current year. However, the management is fully committed and based on the business plans and financial support from the Holding Company, expects to earn higher revenues and improved profitability which will enable the Company to strengthen its financial position. Based on the above, the management is of the opinion that it is appropriate to prepare these financial statements on going concern basis.


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33 Others Notes


- a. The Company has evaluated events and transactions subsequent to the balance sheet date and noted no material subsequent event to be reported.
- b. In the opinion of the Board of Directors, other current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the balance sheet.
- c. Any differences in casting may be on account of rounded off.
- d. The figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary to conform to the current year's presentation.
- e. The Board of Directors at its meeting held on November 2, 2021 has approved the Financial Statement for year ended March 31, 2021.

for **KG Somani & Co. LLP**
Chartered Accountants
Firm Registration No.: 006591N/N500377


Karan Chadha
Partner
M. No.: 522201
Place: **NOIDA**
Date: **2-November-2021**



On behalf of the board of directors


Sanjay Singh
Director
DIN 07637953

Place: **NOIDA**
Date: **02-11-2021**


Raman Singh Bhati
Director
DIN 07879660

Place: **NOIDA**
Date: **02-11-2021**

