

## INDEPENDENT AUDITOR'S REPORT

To The Members of **AFFLUENT GLOBAL SERVICES PRIVATE LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **AFFLUENT GLOBAL SERVICES PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, the Statement of Cash flow and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the financial statements 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 of accounts.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.  
In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain  
Partner  
Membership No. 108262  
UDIN: 21108262AAAATS6616

Place: Mumbai  
Date: September 29, 2021



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

**Report on the Internal Financial Controls Over Financial Reporting 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 **AFFLUENT GLOBAL SERVICES PRIVATE LIMITED** (the "Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 the 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain  
Partner  
Membership No. 108262  
UDIN: 21108262AAAATS6616

Place: Mumbai  
Date: September 29, 2021



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
  
(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- ii. The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, during the year, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provide guarantees covered under the provisions of the section 185 and 186 of the Companies Act during the year and hence reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits, to which provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 apply.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause (vi) of the order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - b. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 or a period of more than six months from the date they became payable.
  - c. There are no dues of Income-tax, Goods and Service Tax, cess and other material statutory dues as on March 31, 2021 on account of disputes.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

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- xiii. The Company is a private company and hence the provision of Section 177 and second proviso to Section 188(1) of the Companies Act, 2013 are not applicable to the Company. The Company has complied with the other provisions of Section 188 of the Companies Act, 2013, where applicable, as regards the transactions with related parties. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of the related party transactions in the financial statements as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain  
Partner  
Membership No. 108262  
UDIN: 21108262AAAATS6616

Place: Mumbai  
Date: September 29, 2021



Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	161.06	74.75
b. Right-of-use asset	26	325.76	259.24
c. Financial assets			
i. Investment in subsidiary	4	150.00	150.00
ii. Others financial assets	5	49.42	43.29
d. Deferred tax asset (net)	6	69.44	50.17
e. Non-current tax assets (net)		141.32	340.53
f. Other non-current assets	10	7.40	-
<b>Total non-current assets</b>		<b>904.40</b>	<b>917.98</b>
<b>2 Current assets</b>			
a. Financial Assets			
i. Trade receivables	7	1,041.20	1,146.53
ii. Loans	8	-	28.15
iii. Cash and cash equivalents	9	800.88	407.53
iv. Bank balance other than (iii) above		496.56	7.30
v. Other financial assets	5	689.43	507.38
b. Other-current tax assets (net)		-	139.81
c. Other current assets	10	35.67	31.60
<b>Total current assets</b>		<b>3,063.74</b>	<b>2,268.30</b>
<b>Total assets</b>		<b>3,968.14</b>	<b>3,186.28</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
a. Equity share capital	11	1.03	1.03
b. Other equity	12	3,026.58	2,225.79
<b>Total Equity</b>		<b>3,027.61</b>	<b>2,226.82</b>
<b>Liabilities</b>			
<b>1 Non-Current liabilities</b>			
a. Financial liabilities			
i. Lease liabilities	26	269.19	230.84
b. Provisions	13	103.82	82.43
<b>Total non-current liabilities</b>		<b>373.01</b>	<b>313.27</b>
<b>2 Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	25	-	-
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		254.01	80.56
ii. Lease liabilities	26	96.19	63.46
iii. Other financial liabilities	14	60.86	351.61
b. Provisions	13	18.52	23.40
c. Other current liabilities	15	137.94	127.16
<b>Total current liabilities</b>		<b>567.52</b>	<b>646.19</b>
<b>Total liabilities</b>		<b>940.53</b>	<b>959.46</b>
<b>Total Equity and Liabilities</b>		<b>3,968.14</b>	<b>3,186.28</b>

Significant Accounting Policies

The accompanying notes are integral part of Financial statements

1-2

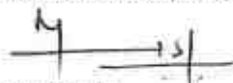
3-32

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

FRN No.: 117366W/W-100018



Mukesh Jain

Partner

Membership No. 108262

Date : September 29, 2021

Place: Mumbai



For and on behalf of the Board of Directors of  
Affluent Global Services Private Limited



Sudhakar Balakrishnan

Director

DIN - 00062956

Date : September 29, 2021

Place: Mumbai



Nilay Pratik

Director

DIN - 07692750



**Affluent Global Services Private Limited**  
**Statement of profit and loss for the year ended March 31, 2021**  
**All amounts are ₹ in Lakhs unless otherwise stated**

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	16	6,513.83	5,026.09
II	Other Income	17	63.03	35.17
III	<b>Total Income (I + II)</b>		<b>6,576.86</b>	<b>5,061.26</b>
IV	<b>Expenses</b>			
	Employee benefits expense	18	4,534.12	3,723.18
	Finance costs	19	27.10	30.39
	Depreciation expense	20	132.62	102.95
	Other expenses	21	837.10	599.98
	<b>Total expenses (IV)</b>		<b>5,530.94</b>	<b>4,456.50</b>
V	<b>Profit before tax (III - IV)</b>		<b>1,045.92</b>	<b>604.76</b>
VI	Tax expenses	22		
	Earlier Year Taxes		(9.24)	-
	Current tax		304.08	176.29
	Deferred tax		(26.93)	(10.77)
	<b>Total Tax Expenses</b>		<b>267.91</b>	<b>165.52</b>
VII	<b>Profit for the year (V - VI)</b>		<b>778.01</b>	<b>439.24</b>
VIII	<b>Other comprehensive income</b>			
	<u>Items that will not be reclassified to profit or loss</u>			
	- Remeasurements of the defined benefit plans		30.44	(4.69)
	-Income tax effect on above		(7.66)	1.18
IX	<b>Total comprehensive income for the year (VII + VIII)</b>		<b>800.79</b>	<b>435.73</b>
	Earnings per equity share			
	Basic and diluted (in ₹)	23	7,546.17	4,260.33

Significant Accounting Policies

The accompanying notes are integral part of Financial statements

1-2

3-32

In terms of our report attached of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

FRN No.: 117366W/W-100018



Mukesh Jain

Partner

Membership No. 108262

Date : September 29, 2021

Place: Mumbai



For and on behalf of the Board of Directors of  
**Affluent Global Services Private Limited**



Sudhakar Balakrishnan

Director

DIN - 00062956

Date : September 29, 2021

Place: Mumbai



Nilay Pratik

Director

DIN - 07692750



Affluent Global Services Private Limited  
Statement of changes in equity for the year ended March 31, 2021  
All amounts are ₹ in Lakhs unless otherwise stated

a. Equity share capital

Particulars	No. of shares	Amount
Balance as at April 01, 2019	10,310	1.03
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	10,310	1.03
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	10,310	1.03

b. Other equity

Particulars	Reserves & surplus (refer note 12)		Total
	Securities premium	Retained earnings	
Balance as at April 01, 2019	50.29	1,739.77	1,790.06
Other Comprehensive Loss	-	(3.51)	(3.51)
Profit for the year	-	439.24	439.24
Balance as at March 31, 2020	50.29	2,175.50	2,225.79
Other Comprehensive Income	-	22.78	22.78
Profit for the year	-	778.01	778.01
Balance as at March 31, 2021	50.29	2,976.29	3,026.58

Significant Accounting Policies

The accompanying notes are integral part of Financial statements

1-2  
3-32

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

FRN No.: 117366W/W-100018




Mukesh Jain  
Partner  
DIN - 00062956

Date : September 29, 2021  
Place: Mumbai



For and on behalf of the Board of Directors of  
Affluent Global Services Private Limited



Sudhakar Balakrishnan  
Director  
DIN - 00062956



Nilay Pratik  
Director  
DIN - 07692750

Date : September 29, 2021  
Place: Mumbai





**Affluent Global Services Private Limited**  
**Statement of Cashflows for the year ended March 31, 2021**  
**All amounts are ₹ in Lakhs unless otherwise stated**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit for the year before tax	1,045.92	604.76
<b>Adjustments for:</b>		
Provision for doubtful trade & other receivables	55.09	3.44
Depreciation	132.62	102.95
Sundry credit balances written back	(0.43)	(0.43)
Dividend on investments in mutual funds	-	(0.93)
Interest income	(36.14)	(33.81)
Unrealised Forex Gain	0.07	-
Other finance cost	27.10	30.39
<b>Operating profit before working capital changes</b>	<b>1,224.23</b>	<b>706.37</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in assets :		
Trade receivables	50.24	(229.46)
Other financial assets	(196.42)	(400.55)
Other current and non-current assets	(4.07)	(0.58)
Increase/ (Decrease) in liabilities:		
Trade and other payables	173.45	(1.30)
Provisions	46.95	38.76
Other financial liabilities	(290.75)	315.29
Other current liabilities	10.82	1.94
<b>Cash generated from operations</b>	<b>1,014.41</b>	<b>430.47</b>
Income taxes paid	44.18	(461.38)
<b>Net cash generated by/(used in) operating activities</b>	<b>1,058.59</b>	<b>(30.91)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments including capital advances	(147.74)	(32.83)
Intangible assets under development	-	0.93
Dividend on investments	-	92.67
Proceeds from loans given	30.50	5.69
Interest income on loans given	1.43	26.61
Interest income on fixed deposits with banks	28.02	-
Net proceeds from fixed deposits with banks with maturity more than 3 months	(489.26)	79.57
<b>Net cash (used in)/generated by investing activities</b>	<b>(577.05)</b>	<b>172.64</b>
<b>Cash flows from financing activities</b>		
Payment of lease liability	(88.19)	(88.57)
<b>Net cash used in financing activities</b>	<b>(88.19)</b>	<b>(88.57)</b>
<b>Net increase in cash and cash equivalents</b>	<b>393.35</b>	<b>53.16</b>
Cash and cash equivalents at the beginning of the year	407.53	354.37
Cash and cash equivalents at the end of the year (refer note 9)	<b>800.88</b>	<b>407.53</b>

**Significant Accounting Policies**

The accompanying notes are integral part of Financial statements

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

FRN No.: 117366W/W-100018

Mukesh Jain

Partner

Membership No. 108262

Date : September 29, 2021

Place: Mumbai



1-2

3-32

For and on behalf of the Board of Directors of  
**Affluent Global Services Private Limited**

Sudhakar Balakrishnan  
 Director

DIN - 00062956

Nilay Pratik  
 Director

DIN - 07692750

Date : September 29, 2021

Place: Mumbai



## Affluent Global Services Private Limited

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

#### 1. Corporate Information

Affluent Global Services Private Limited (the "Company" or "Affluent") was incorporated on July 10, 2012, as a private limited company under the Companies Act, 2013 (the "Act") for providing IT staffing services. The Company is a subsidiary of First Meridian Business Services Private Limited with effect from September 17, 2018. The registered office of the Company is located at G-1, JST Silicon Tower, Kondapur, Hitech City, Hyderabad, Telangana - 500 084. The name of the ultimate holding company is Manpower Solutions Limited (Mauritius).

#### 2. Basis of preparation, measurement and significant accounting policies

##### 2.1 Basis of preparation and measurement

###### a. Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on September 29, 2021.

###### b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

###### An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii. Held primarily for the purpose of trading.
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

###### A liability is current when:

- i. It is expected to be settled in normal operating cycle.
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.



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**Affluent Global Services Private Limited**

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

**2.1 Basis of preparation and measurement (Continued..)**

**c. Presentation of financial statements**

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards as amended.

Amounts in the financial statements are presented in Indian Rupee in Lakhs rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimals places.

**d. Operating cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

**e. Basis of measurement**

The Company maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS. Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- ii. Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- iii. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer

**f. Use of estimates and judgements**

In preparing these Standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



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**Affluent Global Services Private Limited**

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

**2.1 Basis of preparation and measurement (Continued..)**

**f. Use of estimates and judgements (Continued..)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the Standalone Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

- i. Measurement of defined benefit obligations; (Note 2.2(j))
- ii. Recognition and measurement of provisions and contingencies; (Note 2.2(f))
- iii. Recognition of deferred tax assets; (Note 2.2(m)).

**2.2 Significant accounting policies**

**a. Property plant and equipment**

Recognition and measurement:

Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

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

Any gain or losses on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation:

Depreciation on property, plant and equipment, other than leasehold improvements, is provided under the straight-line method in the manner prescribed under Schedule II of the Act, except in the case where the life is different than as indicated in Schedule II of the Act which is based on the technical evaluation of useful life carried out by the management.



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**a. Property plant and equipment (Continued..)**

Economic useful life of property, plant and equipment:-

Particulars	Useful Life considered by Company (Years)
Furniture and fixtures*	3
Office Equipment	5
Computers	3

\*Useful lives of furniture and fixtures is lower than those indicated in Schedule II to the Companies Act, 2013 based on management estimate and technical assessment made by a technical expert.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**b. Intangible assets**

Goodwill

Goodwill that arises on a business combination is subsequently measured at cost less any accumulated impairment losses.

Other Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

**c. Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**c. Impairment of non-financial assets (Continued..)**

using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**d. 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 instruments also include derivative contracts.

**Financial assets**

**Initial recognition and measurement**

Financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus 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 following categories:

- Amortised cost,
- Fair value through profit (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

On the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost:

A financial instrument is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**d. Financial instruments (Continued..)**

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Investment in subsidiaries**

Subsidiaries are those entities which the Company has the power to control if the (a) the Company has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns.

Investment in subsidiary is shown at cost less impairment. When an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Fair value through profit and loss ('FVTPL');

All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognised in the Standalone Statement of Profit and Loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the Standalone statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Fair value through Other Comprehensive Income ('FVOCI')

Financial assets are measured at FVOCI if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Standalone statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive income.

**De-recognition**

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

The contractual rights to receive cash flows from the financial asset have expired, or



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**Affluent Global Services Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**

**2.2 Significant accounting policies (Continued..)**

**d. Financial instruments (Continued..)**

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.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Standalone Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition.

**Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI. Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

**Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

**Financial Liabilities at Fair Value through Profit or Loss (FVTPL):**

A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Standalone statement of Profit and Loss.



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**Affluent Global Services Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**

**2.2 Significant accounting policies (Continued..)**

**d. Financial instruments (Continued..)**

Financial Liabilities at amortised cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance costs in the Standalone Statement of Profit and Loss

**De-recognition**

A financial liability is derecognised 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 recognised in the Standalone statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**e. Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet and cash flow statement includes cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

**f. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits 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 management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**f. Provisions, Contingent Liabilities and Contingent Assets (Continued..)**

A contingent asset is a possible asset that arises 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 entity. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the Standalone financial statements where an inflow of economic benefit is probable.

**g. Revenue recognition**

The Company derives revenue primarily from staffing services in Tech industry, Permanent recruitment and other services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over service to a customer. The method for recognising revenues and costs depends on the nature of the services rendered.

Revenue on time-and-material contracts are recognised as the related services are rendered and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

**a) Tech staffing Services:**

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

**b) Recruitment and other services:**

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services and payroll is recognised on accrual basis on performance of the services agreed in the contract with the customers.



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**Affluent Global Services Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**

**2.2 Significant accounting policies (Continued..)**

**h. Other income**

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options); expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition..

Dividend income

Dividends are recognised in the statement of profit and loss on the date on which the Company's right to receive payment is established.

**i. Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

**j. Employee benefits**

(i). Short-term Employee benefits

Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognised as an expense in the Standalone statement of profit and loss as the related service is provided.

The employees of the Company are entitled to compensate absences. The employees can carry forward a portion of the unutilised accumulating compensated absences. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**j. Employee benefits (Continued..)**

(ii) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognised as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:

The Company's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gain losses and past service costs. The defined benefit/obligation is calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

**k. Leases**

As a Lessee:

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



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**Affluent Global Services Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**

**2.2 Significant accounting policies (Continued..)**

**k. Leases (Continued..)**

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Standalone statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the statement of financial position. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**k. Leases (Continued..)**

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

**l. Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**m. Income-tax**

Income tax expense /income comprise current tax expense /income and deferred tax expense /income. It is recognised in profit or loss except to the extent that it relates to items recognised

Directly in equity or in Other Comprehensive Income. In which case, the tax is also recognised directly in equity or other comprehensive income, respectively.

Current tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.



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**Affluent Global Services Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**

**2.2 Significant accounting policies (Continued..)**

**m. Income-tax (Continued..)**

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and

- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised 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 utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

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

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 by the end of the reporting year.

The measurement of deferred tax assets and liabilities 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:

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

Foreign currency transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognised in profit or loss in the year in which they arise.



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**Affluent Global Services Private Limited**

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

**2.2 Significant accounting policies (Continued..)**

**n. Foreign currency**

**o. Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting year, when the distribution is authorized and the distribution is no longer at the discretion of the Company on or before the end of the reporting year.

**p. Earnings per share:**

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

**q. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows for the year are classified by operating, investing and financing activities.

**r. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Company operates in one reportable business segment i.e. "Staffing services". The Company presently caters to only domestic market i.e. India and hence there is no revenue from external customers outside India.

**s. Recent Pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standard) Rules 2015 are:

**Balance Sheet**

- ❖ Lease liabilities should be separately disclosed under the head "financial liabilities", duly distinguished between current and non-current.
- ❖ Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of current reporting period.
- ❖ Specified format for disclosure of shareholding of promoters.
- ❖ Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.



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**Affluent Global Services Private Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**

**2.2 Significant accounting policies (Continued..)**

**s. Recent Pronouncements (Continued..)**

- ❖ If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- ❖ Specific disclosure under 'additional regulatory requirement' such as compliance with approved scheme of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial positions (KMP) and related parties, details of benami properties etc.

**Statement of profit and loss**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

**t. Covid-19 pandemic related uncertainty:**

Refer Note 31 in respect of disclosure relating to likely impact of Covid-19 on the future cash flows and going concern assessments made by the management.

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Affluent Global Services Private Limited  
 Notes forming part of the financial statements for the year ended March 31, 2021  
 All amounts are ₹ in Lakhs unless otherwise stated

3 Property, plant and equipment

Description of assets	Computers	Furniture and Fixtures	Office equipment	Total
<b>Balance as at April 01, 2019</b>	<b>39.21</b>	<b>20.33</b>	<b>23.56</b>	<b>83.10</b>
Additions for the year	26.61	0.82	5.41	32.84
<b>Balance as at March 31, 2020</b>	<b>65.82</b>	<b>21.15</b>	<b>28.97</b>	<b>115.94</b>
Additions for the year	138.53	-	1.81	140.34
<b>Balance as at March 31, 2021</b>	<b>204.35</b>	<b>21.15</b>	<b>30.78</b>	<b>256.28</b>
<b>Depreciation</b>				
<b>Accumulated depreciation as at April 01, 2019</b>	<b>10.88</b>	<b>0.14</b>	<b>3.15</b>	<b>14.17</b>
Depreciation expense for the year	17.26	4.16	5.60	27.02
<b>Accumulated depreciation as at March 31, 2020</b>	<b>28.14</b>	<b>4.30</b>	<b>8.75</b>	<b>41.19</b>
Depreciation expense for the year	43.32	4.22	6.49	54.03
<b>Accumulated depreciation as at March 31, 2021</b>	<b>71.46</b>	<b>8.52</b>	<b>15.24</b>	<b>95.22</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>132.89</b>	<b>12.63</b>	<b>15.54</b>	<b>161.06</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>37.68</b>	<b>16.85</b>	<b>20.22</b>	<b>74.75</b>

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4 Investments in subsidiary

Particulars	As at March 31, 2021		As at March 31, 2020	
	Qty. (no.)	Amount	Qty. (no.)	Amount
<b>Unquoted Investments (all fully paid)</b>				
<b>Investments in equity instruments (at cost)</b>				
<b>Linktag Global Services Private Limited</b>				
Equity Shares of the face value of ₹ 10/- each fully paid-up	99,999	150.00	99,999	150.00
<b>Total</b>	<b>99,999</b>	<b>150.00</b>	<b>99,999</b>	<b>150.00</b>

5 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non -Current</b>		
<b>Unsecured, considered good</b>		
Deposit for premises	55.89	49.76
Less:- Provision for doubtful deposits	(6.47)	(6.47)
<b>Total</b>	<b>49.42</b>	<b>43.29</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Unbilled revenue	673.64	492.09
Advances to employees	-	0.97
Interest accrued but not due	15.79	2.35
Interest receivable on income tax refund	-	11.97
<b>Total</b>	<b>689.43</b>	<b>507.38</b>

6 Deferred tax asset (net)

6.1 Movement in deferred tax balances

Particulars	For the year ended March 31, 2021			
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	2.89	(2.35)	-	0.54
Allowance for doubtful debts	6.75	13.88	-	20.63
Ind AS 116 - ROU and Lease Liability	8.93	3.70	-	12.63
Provision for Bonus	4.96	(0.12)	-	4.84
Employee benefits	26.64	11.82	(7.66)	30.80
<b>Net tax asset/(liabilities)</b>	<b>50.17</b>	<b>26.93</b>	<b>(7.66)</b>	<b>69.44</b>

Particulars	For the year ended March 31, 2020			
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	2.60	0.29	-	2.89
Allowance for doubtful debts	7.41	(0.66)	-	6.75
Ind AS 116 transition	5.78	3.15	-	8.93
Provision for Bonus	3.91	1.05	-	4.96
Employee benefits	18.51	6.95	1.18	26.64
<b>Net tax asset/(liabilities)</b>	<b>38.21</b>	<b>10.78</b>	<b>1.18</b>	<b>50.17</b>



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7 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,041.20	1,146.53
Unsecured, considered doubtful	75.50	20.41
	<b>1,116.70</b>	<b>1,166.94</b>
Less: Allowance for doubtful debts (expected credit loss allowances)	(75.50)	(20.41)
<b>Total</b>	<b>1,041.20</b>	<b>1,146.53</b>

The average credit period is 45-90 days. No interest is charged on trade receivables.

7.1 Movement of allowance of doubtful receivables

Particulars	Amount
Balance as at April 01, 2019	18.98
Allowance for doubtful debts (refer note 21)	1.43
<b>Balance as at March 31, 2020</b>	<b>20.41</b>
Allowance for doubtful debts (refer note 21)	55.09
<b>Balance as at March 31, 2021</b>	<b>75.50</b>

7.2 Particulars of foreign currency receivable as at balance sheet date

Currency	Amount in Foreign Currency	Rs. in Lakhs Amount (Notional Value)
USD as at March 31, 2021	4,142	5.81
USD as at March 31, 2020	-	-

8 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Loan to subsidiary (refer note no. 27)	-	28.15
Interest @ 9% p.a.	-	-
<b>Total</b>	<b>-</b>	<b>28.15</b>

9 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances with banks</b>		
- On current account	378.88	407.53
- In other deposit accounts - original maturity of three months or less	422.00	-
<b>Total</b>	<b>800.88</b>	<b>407.53</b>

10 Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non current</b>		
Unsecured, considered good		
Capital advances (refer note no. 24)	7.40	-
<b>Total</b>	<b>7.40</b>	<b>-</b>
<b>Current</b>		
Prepaid expenses (Unsecured, considered good)	35.67	31.60
Others		
- considered doubtful	20.78	20.78
Less: Provision for unrealisable assets	(20.78)	(20.78)
<b>Total</b>	<b>35.67</b>	<b>31.60</b>



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11 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital</b> 1,00,000 Equity Shares of ₹ 10/- each	10.00	10.00
<b>Issued and subscribed capital comprises:</b> 10,310 Equity Shares of ₹ 10/- each Fully Paid up	1.03	1.03
<b>Total</b>	<b>1.03</b>	<b>1.03</b>

11.1 Reconciliation of equity shares outstanding at the beginning and at the end of the year :-

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
As at the beginning and end of the year	10,310	1.03	10,310	1.03

11.2 Terms right attached to the equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
First Meridian Business Services Private Limited (Holding Company)	8,439	81.85%	7,527	73.01%
Mr. Shailesh Narayan	1,380	13.39%	1,380	13.39%
Start 2 Scale Venture LLP	246	2.39%	912	8.85%

12 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium	50.29	50.29
Retained earnings	2,976.29	2,175.50
<b>Total</b>	<b>3,026.58</b>	<b>2,225.79</b>

Notes:

a) **Securities Premium**

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve is available for utilisation in accordance with the provisions of Companies Act, 2013.

b) **Retained earnings**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013. Thus the amounts reported above are not distributable in entirety. It includes impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumption, experience adjustments, etc. recognised through other comprehensive income.

12.1 Securities Premium

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of year</b>	50.29	50.29
Share issued during the period		
<b>Balance at end of year</b>	<b>50.29</b>	<b>50.29</b>

13 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Provision for gratuity ( Refer note 29)	103.82	82.43
<b>Total</b>	<b>103.82</b>	<b>82.43</b>
<b>Current</b>		
Provision for compensated absences	18.52	23.40
<b>Total</b>	<b>18.52</b>	<b>23.40</b>

14 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued compensation to employees	60.86	351.61
<b>Total</b>	<b>60.86</b>	<b>351.61</b>

15 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	1.32	1.00
Statutory Liabilities	136.62	125.16
<b>Total</b>	<b>137.94</b>	<b>127.16</b>



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16 Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of services	6,513.83	5,026.09
<b>Total</b>	<b>6,513.83</b>	<b>5,026.09</b>

16.1 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted price with the customers	6,434.62	5,138.61
Add / (Less): Discounts; rebates, refunds, credits, price concessions	79.21	(112.52)
<b>Revenue from contracts with customers (as per Statement of Profit and</b>	<b>6,513.83</b>	<b>5,026.09</b>

17 Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on bank deposits	32.33	14.08
Interest on loan to related party	1.43	5.69
Interest on Income Tax Refund	26.45	11.97
Other interest income	2.39	2.07
Dividend on mutual funds	-	0.93
Sundry balances written-back	0.43	0.43
<b>Total</b>	<b>63.03</b>	<b>35.17</b>

18 Employee benefits expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	4,375.76	3,594.00
Contribution to provident and other funds (refer note 29)	88.08	79.63
Gratuity (refer note 29)	59.89	35.72
Staff Welfare Expenses	10.39	13.83
<b>Total</b>	<b>4,534.12</b>	<b>3,723.18</b>

19 Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on lease liability (refer note 27)	27.10	30.39
<b>Total</b>	<b>27.10</b>	<b>30.39</b>

20 Depreciation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	54.03	27.02
Depreciation of right-of-use asset (refer note 27)	78.59	75.93
<b>Total</b>	<b>132.62</b>	<b>102.95</b>



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21 Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Auditor's remuneration (refer note 21.1)	9.75	7.50
Business support fees	261.56	148.43
Communication expenses	13.98	17.70
Corporate social responsibility expenses (refer note 21.2)	54.40	26.86
Insurance	6.00	8.56
Rent (refer note 26)	19.59	47.29
Repairs & Maintenance	44.46	52.68
Rates and Taxes	0.19	4.36
Provision for doubtful trade & other receivables	55.09	3.44
Renewal and Licenses	15.42	14.51
Professional and consultancy fees	338.90	220.95
Travelling, lodging and boarding expenses	5.45	24.75
Foreign exchange differences (net)	0.52	-
Miscellaneous expenses	11.79	22.95
<b>Total</b>	<b>837.10</b>	<b>599.98</b>

21.1 Payments to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) for statutory audit	6.50	3.50
b) for tax audit	1.00	1.00
c) for other services	2.25	3.00
<b>Total</b>	<b>9.75</b>	<b>7.50</b>

21.2 Corporate Social Responsibility (CSR)

Particulars	Amount required to be spent	Amount spent during the FY 2020-2021
For earlier years (booked in FY 2020-21)*	31.09	-
For FY 2019-2020 (booked in FY 2019-2020)	26.86	26.86
For FY 2020-2021 (booked in FY 2020-21)	23.31	23.31

\* Total amount required to be spent for earlier years equivalents to Rs 33.09 lakhs out of which Rs 2 lakhs was paid in FY 2019-2020, hence, balance amount of Rs 31.09 is booked in the FY 2020-21.



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## 22 Tax Expenses

### Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	1,045.92	604.76
Income tax rate (incl. surcharge)	25.17%	25.17%
Income tax expense calculated (incl. surcharge)	263.24	152.21
Effects of expenses that are not deductible in determining taxable profits	13.91	7.15
Effect of income that is exempt from taxation	-	(0.23)
Changes on account of deferred tax	-	6.39
<b>Total</b>	<b>277.15</b>	<b>165.52</b>
Tax of earlier years	(9.24)	-
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>267.91</b>	<b>165.52</b>

#### Note:

The Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The full impact of this change including the remeasurement of the net deferred tax effect basis the rate prescribed in the said section, had been recognised in the statement of profit and loss for the year ended March 31, 2020.

## 23 Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to equity shareholders (in lakhs)	778.01	439.24
Nominal value of each equity share	10.00	10.00
Weighted average number of equity shares	10,310	10,310
EPS - basic and diluted	7,546.17	4,260.33

## 24 Contingent liabilities and commitments

On 28 February 2019, the Supreme Court of India delivered a judgement clarifying the principles that need to be applied in determining the component of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. The Company has been legally advised that there are various interpretative challenges on the application of the judgement retrospectively. Based on such legal advice, the management believes that it is not practicable at this stage to reliably measure the contingencies relating to amounts payable if any on potential demands relating to PF.

### 24.1 Capital commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	7.60	-

## 25 The average credit period of trade payables is 30-45 days. No interest is charged by the trade payables.

The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure requirement is not applicable under the Act.



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26 Leases

26.1 The effect of depreciation and interest related to Right of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation Expense" and "Finance costs" respectively under Note No 20 and 19.

26.2 The weighted average incremental borrowing rate applied to lease liabilities is as follows:

a. Leases outstanding as on March 31, 2020	10% p.a.
b. Lease taken after March 31, 2020	7.5% p.a.

26.3 Following are the changes in the carrying value of right of use assets for the year ended as at:

Particulars	Category of ROU	
	Office Space	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance as at the beginning of the year	259.24	335.17
Additions	145.12	-
Depreciation	(78.59)	(75.93)
Balance as at the end of the year	325.76	259.24

26.4 The following is the break-up of current and non-current lease liabilities as at:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Lease liabilities	95.19	63.46
Non-current lease liabilities	269.19	230.84
Total	365.38	294.30

26.5 The following is the movement in lease liabilities:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance as at beginning of the year	294.30	352.48
Additions	132.17	-
Finance cost accrued during the period	27.10	30.39
Payment of lease liabilities	(88.19)	(85.57)
Balance as at end of the year	365.38	294.30

26.6 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	123.21	88.19
Later than 1 year and not later than 5 years	304.85	246.22
Later than 5 years	-	22.32
Total	428.06	356.73

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

26.7 Amounts recognised in the statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation expense on right-of-use assets	78.59	75.93
Interest expense on lease liabilities	27.10	30.39
Expense relating to short-term leases	19.59	47.29

The total cash outflow for leases is ₹107.78 Lakhs and ₹ 135.85 Lakhs for the year ended March 31, 2021 and 2020, respectively (includes cash outflow from short term and long term leases)



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27 Related parties transactions

27.1 Names of the related parties and related party relationships

Particulars	Relationship
Manpower Solutions Limited First Meridian Business Services Private Limited Linktag Global Services Private Limited	Ultimate Holding Company Holding Company Wholly Owned Subsidiary
Innovsource Services Private Limited Innovsource Facilities Private Limited V5 Global Services Private Limited CBSI India Private Limited (w.e.f September 29, 2020)	Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary
<b>Key Management Personnel</b> Shailesh Narayanrao Ardhapurkar Sudhakar Balakrishnan Nlay Pratik	Managing Director Non-executive Director Non-executive Director
<b>Relative of Key Managerial Person "KMP"</b> Archana Shailesh Ardhapurkar	Relative of KMP

27.2 Details of related party transactions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Innovsource Facilities Private Limited</b> Repairs & Maintenance	0.74	-
<b>Innovsource Services Private Limited</b> Professional and consultancy fees	3.74	-
<b>V5 Global Services Private Limited</b> Professional and consultancy fees	5.38	-
<b>FirstMeridian Business Services Private Limited</b> Business support fees Reimbursement of Salaries and Wages Repairs & Maintenance Share based payments Share based payments (forfeiture)	267.88 - - 1.05 1.45	148.43 14.95 5.32 0.36 -
<b>Linktag Global Services Private Limited</b> Sale of services Loan given Repayment of loan given Interest Income for the year	6.32 - 28.15 1.43	- 73.50 166.17 5.69
<b>CBSI India Private Limited</b> Sale of Services	12.82	-
<b>Key Managerial Personnel*</b> Shailesh Narayanrao Ardhapurkar Reimbursement of expenses - Travelling, lodging and boarding expenses Remuneration Consultancy Charges	1.32 42.00 25.00	23.74 72.09 -
<b>Relative of Key Managerial Personnel - Archana Shailesh Ardhapurkar</b> Employee benefits expense	40.78	12.10



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27 Related party transactions (Cont.)

27.3 Details of related party closing balances

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Payables</b>		
V5 Global Services Private Limited	5.94	-
Innovsource Services Private Limited	4.14	-
Innovsource Facilities Private Limited	0.86	-
FirstMeridian Business Services Private Limited	80.93	1.95
<b>Trade Receivables</b>		
CBSI India Private Limited	13.93	-
<b>Loan Given</b>		
Linktag Global Services Private Limited	-	28.15
<b>Interest accrued but not due</b>		
Linktag Global Services Private Limited	-	2.35
<b>Key Managerial Personnel</b>		
Shailesh Narayanrao Ardhapurkar - Expenses Reimbursement	1.5	13.1
Remuneration payable	-	4.0
Trade Payables	5.5	-
<b>Relative of Key Managerial Personnel - Archana Shailesh Ardhapurkar</b>		
Accrued compensation to employees	-	3.2

\* The above Managerial remuneration excludes value of gratuity and compensated absences since the same is ascertained on aggregated basis for the company as a whole by the way of actuarial valuation and separate values attributable to key managerial person are not ascertained.

27.4 Subsequent Non Adjusting Event:

The Board of Directors of Affluent Global Service Private Limited has determined it prudent to merge the Company with its Subsidiary Company Linktag Global Services Private Limited resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the Companies. The Board of Directors of the Companies have provided their approval on June 30, 2021 towards the scheme of amalgamation with Linktag Global Services Private Limited (a subsidiary), subject to receipt of requisite approval from the Companies Shareholders, Creditors, Regulatory or Government Bodies/ Tribunals and/or Institutions, as may be applicable.



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**28 Segment information:**

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of Company and allocated resources based on the analysis of various performance indicators of the Company. The CODM has identify "Staffing and allied Service" as operating segment. All the activities of the Company are revolving around Staffing and allied Services including IT companies. Further the Company operates in one geographical area i.e. India.

**Information about major customers**

Included in revenues are revenues of approximately ₹ 5,051.12 Lakhs (2019-20: ₹ 4,063.64 Lakhs) which arose from sales to the Company's largest customer. No other single customers contributed 10 per cent or more to the Company's revenue in either 2021 or 2020.

**29 Employee benefits**

**i) Defined Contribution Plan:**

The Company's contribution to Provident fund and other funds aggregating during the period ended March 31, 2021 is ₹ 88.08 Lakhs (and during the year ended 31 March 2020: ₹ 79.63 Lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

**ii) Defined Benefit Plans:**

**Gratuity**

The Company has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Presently the Company's gratuity plan is unfunded.

**Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:**

**(1) Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**(2) Interest rate risk:**

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**(3) Longevity risk:**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	March 31, 2021	March 31, 2020
<b>(i). Financial assumptions</b>		
Discount rate (p.a.)	4.70%	6.68%
Salary escalation rate (p.a.)	10.00%	5.00%
Rate of employee turnover (p.a.)	30.00%	2.00%
<b>(ii). Demographic assumptions</b>		
Mortality rate	IALM 2012-14	IALM 2012-14

**Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	54.67	32.32
Net interest expense	5.22	3.40
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>59.89</b>	<b>35.72</b>
Remeasurement on the net defined benefit liability		
Actuarial loss arising form changes in financial assumptions	20.44	14.07
Actuarial gains arising form changes in demographic assumptions	(20.91)	(0.09)
Actuarial gains arising form experience adjustments	(29.97)	(9.30)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(30.44)</b>	<b>4.68</b>
<b>Total</b>	<b>29.45</b>	<b>40.40</b>

**Notes:**

i) The Current service cost and the net interest expense for the period are included in the 'Employee benefits expense' line item in the statement of profit and loss.

ii) The remeasurement of the net define benefits liability is included in other comprehensive income for the year ended March 31, 2021 and for the year ended March 31, 2020.



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29 Employee benefits (Cont.)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the end of the year	103.82	82.43
<b>Unfunded status - Surplus</b>	<b>103.82</b>	<b>82.43</b>

Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening of defined benefit obligation	82.43	45.20
Current service cost	54.67	32.32
Interest on defined benefit obligation	5.22	3.40
Remeasurements due to:		
Actuarial loss arising from changes in financial assumptions	20.44	14.07
Actuarial gains arising from changes in demographic assumptions	(20.91)	(0.09)
Actuarial gains arising from experience adjustments	(29.97)	(9.30)
Benefits paid	(8.06)	(3.17)
<b>Closing of defined benefit obligation</b>	<b>103.82</b>	<b>82.43</b>

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The following table summarizes the possible impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by the following.

Principal assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption
<b>a) Discount rate</b>		
As at 31st March, 2021 (1%)	(3.77)	3.67
As at 31st March, 2020 (1%)	(12.77)	15.96
<b>b) Salary Escalation Rate</b>		
As at 31st March, 2021 (1%)	3.43	(3.63)
As at 31st March, 2020 (1%)	16.08	(13.06)
<b>c) Employee Turnover Rate</b>		
As at 31st March, 2021 (25%)	(12.76)	18.81
As at 31st March, 2020 (25%)	0.51	(0.61)

Notes:

i) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

iii) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



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### 30 Financial instruments

#### 30.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Amount	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets measured at amortised cost</b>		
<b>Non-Current Assets</b>		
Others financial assets	49.42	43.29
<b>Current Assets</b>		
Cash and cash equivalents	800.88	407.53
Bank balance other than Cash and cash equivalents	496.56	7.30
Trade receivables	1,041.20	1,146.53
Loans	-	28.15
Other financial assets	689.43	507.38
<b>Financial Liabilities measured at amortised cost</b>		
<b>Non-current Liabilities</b>		
Lease Liability	269.19	230.84
<b>Current Liabilities</b>		
Trade payables	254.01	80.56
Other financial liabilities	60.86	351.61
Lease Liability	96.19	63.46

Note:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost

#### 30.2 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt offset by cash and bank balances and total equity of the Company.

#### 30.3 Financial risk management objectives

The Company monitors and manages the financial risks to the operations of the Company. These risks include Credit risk, Liquidity risk and market risk.

##### a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company uses its own trading records to rate its major customers. The Company's exposure to financial loss from defaults are continuously monitored.

##### b. Liquidity risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash to meet obligations when due.

The Company is continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.




**30 Financial Instruments (Cont.)**

**30.3 Maturities of financial liabilities (Cont.)**

Table showing maturity profile of non-derivative financial liabilities:  
 (Excludes maturity analysis of lease liabilities which has been disclosed in Note 26 of the financial statements)

Particulars	Upto One year	1-5 years	Total
<b>March 31, 2021</b>			
Trade payables	254.01	-	<b>254.01</b>
Other financial liabilities	60.86	-	<b>60.86</b>
<b>March 31, 2020</b>			
Trade Payables	80.56	-	<b>80.56</b>
Other financial liabilities	351.61	-	<b>351.61</b>

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**C. Market risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. In the normal course of business and in accordance with our policies, we manage these risks through a variety of strategies.

**i). Currency risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is domiciled in India and has its revenues and other major transactions in its functional currency i.e. INR. Accordingly the Company is not exposed to any currency risk.

**ii). Interest rate risk**

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 does not have any borrowed funds and so the Company is not exposed to any interest rate risk.

**31** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and other assets. In assessing the recoverability of the assets, the Company has considered internal and external sources of information, available as at the date of approval of these financial statements, including subsequent recoveries, credit risk profiles, etc. Based on the above assessment, the Company is of the view that the carrying amounts of the assets will be realized. The impact of COVID-19 on the Company's financial statements may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

**32** There are no events after Balance sheet date.

For and on behalf of the Board of Directors of  
**Affluent Global Services Private Limited**

Sudhakar Balakrishnan  
 Director  
 DIN - 0002956

Nity Pratik  
 Director  
 DIN - 07692750

Date : September 29, 2021  
 Place: Mumbai

