

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of First Meridian Business Services Private Limited Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of First Meridian Business Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 31 March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 standalone 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 Standalone financial Statements and our auditor's report thereon.

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

## **Reporting on comparatives in case of first Ind AS financial statements**

The comparative financial information of the Company for the period ended March 31, 2019 being the first year of incorporation, included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of this the above matters on the comparative financial information.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit on the standalone 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 Statement of Cash Flows and Statement of Changes in Equity dealt with by

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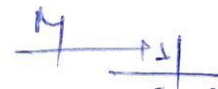
this Report are in agreement with the relevant books of account

- d) In our opinion, the aforesaid standalone 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 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017
- 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.

- 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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 A" 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: 20108262AAAAUC8150

Place: Mumbai  
Date: September 25, 2020



**ANNEXURE A 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 granted unsecured loans, to companies, covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments.
- 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, 2020 for 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, 2020 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.

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- 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.
- 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 persons connected with him 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

ICAI Firm Registration No. 117366W/W-100018



Mukesh Jain  
Partner

Membership No. 108262  
UDIN: 20108262AAAAUC8150

Place: Mumbai

Date: September 25, 2020



**FirstMeridian Business Services Private Limited**  
**Balance sheet at March 31, 2020**  
All amounts are ₹ in Lakhs unless otherwise stated

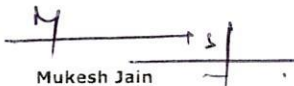
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	80.17	97.51
b. Right-of-use asset	26	123.55	159.79
c. Other intangible assets	4	10.59	8.13
d. Financial assets			
i. Investment in subsidiary	5	25,194.58	25,194.58
ii. Loans	6	571.00	572.00
iii Others financial assets	7	39.09	25.98
e. Non-current tax assets (net)		45.25	33.98
<b>Total non-current assets</b>		<b>26,064.23</b>	<b>26,091.97</b>
<b>2 Current assets</b>			
a. Financial Assets			
i. Trade receivables	8	205.61	88.36
ii. Cash and cash equivalents	9	120.90	281.71
iii Bank balance other than (ii) above	10	4,712.05	4,379.03
iv Other financial assets	7	1.27	260.52
b. Other current assets	11	105.84	197.33
<b>Total current assets</b>		<b>5,145.67</b>	<b>5,206.95</b>
<b>Total assets</b>		<b>31,209.90</b>	<b>31,298.92</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
a. Equity share capital	12	7,221.91	7,221.91
b. Other equity	13	23,467.14	23,625.53
<b>Total Equity</b>		<b>30,689.05</b>	<b>30,847.44</b>
<b>Liabilities</b>			
<b>1 Non-Current liabilities</b>			
a. Financial liabilities			
i. Lease liability	26	102.61	135.16
b. Provisions	15	14.96	2.37
<b>Total current liabilities</b>		<b>117.57</b>	<b>137.53</b>
<b>2 Current liabilities</b>			
a. Financial liabilities			
i. Trade payables			
Total outstanding dues to micro enterprises and small		-	-
Total outstanding dues of creditors other than micro		61.00	162.63
ii. Lease liability	26	32.55	27.56
iii. Other financial liabilities	14	259.79	87.58
b. Provisions	15	16.74	6.56
c. Other current liabilities	16	33.20	29.62
<b>Total current liabilities</b>		<b>403.28</b>	<b>313.95</b>
<b>Total liabilities</b>		<b>520.85</b>	<b>451.48</b>
<b>Total Equity and Liabilities</b>		<b>31,209.90</b>	<b>31,298.92</b>

The accompanying notes are integral part of Financial statements

1-33

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
**Mukesh Jain**  
Partner

For and on behalf of the Board of Directors of  
**First Meridian Business Services Private Limited**

  
**Sudhakar Balakrishnan**  
Director  
DIN - 00062956

  
**Nilay Pratik**  
Director  
DIN - 07692750

  
**Satish Srinivasan**  
Chief Financial Officer

  
**Monali Pramod Joshi**  
Company Secretary

Date : September 25th, 2020  
Place : Mumbai

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Place : Mumbai

**FirstMeridian Business Services Private Limited**  
**Statement of profit and loss for the year ended March 31, 2020**  
**All amounts are ₹ in Lakhs unless otherwise stated**

	Particulars	Note No.	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
I	Revenue from operations	17	1,039.08	276.44
II	Other Income	18	376.27	374.21
III	<b>Total Income (I + II)</b>		<b>1,415.35</b>	<b>650.65</b>
IV	<b>Expenses</b>			
	Employee benefits expense	19	1,114.67	426.74
	Finance costs	20	14.10	10.73
	Depreciation and amortisation expense	21	60.66	33.48
	Other expenses	22	434.58	1,197.78
	<b>Total expenses (IV)</b>		<b>1,624.01</b>	<b>1,668.73</b>
V	<b>(Loss)/Profit before tax (III - IV)</b>		<b>(208.66)</b>	<b>(1,018.08)</b>
VI	Tax expenses		-	-
VII	<b>(Loss)/Profit for the year (V - VI)</b>		<b>(208.66)</b>	<b>(1,018.08)</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		(4.59)	-
IX	<b>Total comprehensive (loss)/income for the year (VII + VIII)</b>		<b>(213.25)</b>	<b>(1,018.08)</b>
	Earnings per equity share	24		
	Basic and diluted (in ₹)		(0.29)	(2.15)

The accompanying notes are integral part of Financial statements

1-33

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants



**Mukesh Jain**  
Partner

For and on behalf of the Board of Directors of  
**First Meridian Business Services Private Limited**



**Sudhakar Balakrishnan**  
Director  
DIN - 00062956



**Nilay Pratik**  
Director  
DIN - 07692750



**Satish Srinivasan**  
Chief Financial Officer



**Monali Pramod Joshi**  
Company Secretary

Place : Mumbai  
Date : September 25th, 2020

Place: Mumbai  
Date : September 25th, 2020



**FirstMeridian Business Services Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2020**  
 All amounts are ₹ in Lakhs unless otherwise stated

**a Equity share capital**

Particulars	No. of shares	Amount
<b>Balance at February 20, 2018</b>	-	-
Changes in equity share capital during the year	72,21,91,340	7,221.91
<b>Balance at March 31, 2019</b>	<b>72,21,91,340</b>	<b>7,221.91</b>
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2020</b>	<b>72,21,91,340</b>	<b>7,221.91</b>

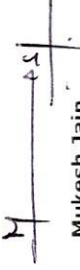
**b Other equity**

Particulars	Securities premium reserve	Reserves & surplus		Share based payment	Total
		Retained earnings			
<b>Balance at February 20, 2018</b>	-	-	-	-	-
Share issued during the period	24,767.73	-	-	-	24,767.73
Remeasurement of defined benefits plan (Loss)/Profit for the year	-	-	-	-	-
Less: Share Issue Expenses	(124.12)	(1,018.08)	-	-	(1,018.08)
<b>Balance at March 31, 2019</b>	<b>24,643.61</b>	<b>(1,018.08)</b>	-	-	<b>23,625.53</b>
Remeasurement of defined benefits plan (Loss)/Profit for the year	-	(4.59)	-	-	(4.59)
Share based payments	-	(208.66)	-	54.86	(208.66)
<b>Balance at March 31, 2020</b>	<b>24,643.61</b>	<b>(1,231.33)</b>	-	<b>54.86</b>	<b>23,467.14</b>

The accompanying notes are integral part of Financial statements

1-33

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

  
**Mukesh Jain**  
 Partner

For and on behalf of the Board of Directors of  
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**Satish Srinivasan**  
 Chief Financial Officer

  
**Monali Pramod Joshi**  
 Company Secretary

Place : Mumbai  
 Date : September 25th, 2020

Place : Mumbai  
 Date : September 25th, 2020

**First Meridian Business Services Private Limited**  
**Statement of Cashflows for the year ended March 31, 2020**  
All amounts are ₹ in Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
<b>Cash flows from operating activities</b>		
Loss for the year	(208.66)	(1,018.08)
<b>Adjustments for:</b>		
Expense on employee stock option scheme	47.99	
Depreciation	60.66	33.48
Interest income	(376.27)	(374.21)
	<b>(476.28)</b>	<b>(1,358.81)</b>
<b>Movements in working capital:</b>		
Increase/ (Decrease) in working capital :		
Trade receivables	(117.24)	(88.36)
Other financial assets	(11.35)	(648.77)
Trade and other payables	91.49	(197.33)
Other current liabilities	3.58	29.62
Other financial liabilities	179.07	87.58
Provisions	18.18	126.13
Trade payables	(101.63)	162.63
<b>Cash generated from operations</b>	<b>(414.18)</b>	<b>(1,887.31)</b>
Income taxes paid	(11.27)	(33.98)
<b>Net cash generated by operating activities</b>	<b>(425.45)</b>	<b>(1,921.29)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments & Intangibles	(9.54)	(115.06)
Long-term investment:		
- Equity Infusion in Subsidiaries	-	(23,690.93)
- Loan repaid by Subsidiaries	1.00	-
Balance in Fixed Deposits	(333.02)	(4,379.03)
Interest on loan to Subsidiaries	51.39	20.57
Interest income on fixed deposits with banks	582.37	92.01
<b>Net cash (used in)/generated by investing activities</b>	<b>292.20</b>	<b>(28,072.44)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	30,847.44
- Loan given to Subsidiaries	-	(572.00)
Payment of lease liability	(27.56)	-
<b>Net cash generated by financing activities</b>	<b>(27.56)</b>	<b>30,275.44</b>
<b>Net increase in cash and cash equivalents</b>	<b>(160.81)</b>	<b>281.71</b>
Cash and cash equivalents at the beginning of the year	281.71	-
<b>Cash and cash equivalents at the end of the year (refer note no. 9)</b>	<b>120.90</b>	<b>281.71</b>

The accompanying notes are integral part of Financial statements


In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
**Mukesh Jain**  
Partner

Place: Mumbai  
Date : September 25th, 2020

1-33

For and on behalf of the Board of Directors of  
**First Meridian Business Services Private Limited**

  
**Sudhakar Balakrishnan**  
Director  
DIN - 00062956

  
**Satish Srinivasan**  
Chief Financial Officer

  
**Nilay Pratik**  
Director  
DIN - 07692750

  
**Monali Pramod Joshi**  
Company Secretary

Place: Mumbai  
Date : September 25th, 2020



Notes to the standalone financial statements for the year ended March 31, 2020

**1 Corporate information**

FirstMeridian Business Services Private Limited (the "Company" or "FMB") was incorporated in February 20, 2018, as a private limited company under the Companies Act, 2013 (the "Act") for providing Management Advisory services and Staffing services. The Company is a subsidiary of ManPower Solutions Limited with effect from February 20, 2018. The registered office of the Company is located at 3rd floor, Unit No.5, Ferns Icon, Outer Ring Road, Marathalli, Bangalore Urban, Karnataka, 560037. 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**

- (i) The Standalone Balance Sheet of the Company as at March 31, 2020 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash flows for the year ended March 31, 2020, summary of significant accounting policies and other financial information (together referred as 'Standalone Ind AS Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

**Compliance with Ind AS:**

The Standalone Ind AS financial Information were authorized for issue by the Company's Board of Directors on 24 September 2020.

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

The financial statements up to year ended March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounts) Rules, 2014 as amended and other relevant provisions of the Act ("Indian GAAP" or "Previous GAAP").

Financial statements for the year ended March 31, 2020 are the first set of Ind AS financial statements issued by the Company, hence are covered by Ind AS 101, 'First Time Adoption of Indian Accounting Standards'. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ('Indian GAAP'), which is considered as the Previous GAAP, for the purposes of Ind AS 101. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS.

**b Current vs non-current classification:**

All the assets and liabilities have been classified into current and non current.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**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/inventories for processing and their realization 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.

**c Functional and presentation currency**

The functional currency of the Company is Indian Rupees (INR).

The presentation currency of the Company is Indian Rupees (INR). All figures appearing in the Standalone financial statements are rounded to the nearest lakhs, unless otherwise indicated.

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## 2.1 Basis of preparation and measurement (Continued)

### d Basis of measurement

These financial statements have been prepared on accrual and going concern basis and the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value.
- Equity settled share-based payments measured at fair value
- Net defined benefit (asset)/ liability - Fair value of plan assets less present value of defined benefit obligations

### e 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.

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. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(a))
- ii. Impairment test of non-financial assets (Note 2.2(c))
- iii. Recognition of deferred tax assets; (Note 2.2(l))
- iv. Recognition and measurement of provisions and contingencies; (Note 2.2(f))
- v. Fair value of financial instruments (Note 2.2 (d))
- vi. Impairment of financial assets (Note 2.2 (d))
- vii. Measurement of defined benefit obligations; (Note 2.2(i))
- viii. Fair valuation of employee share options; (Note 2.2(i))

### f Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values (including Level 3 fair values). The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes

- Financial instruments (Note 30)
- Share-based payment arrangements (Note 32)

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## 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 loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

#### Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized 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 derecognized 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 following 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:

<u>Particulars</u>	<u>Economic Useful Life</u>	
	<u>Property, plant and equipment</u>	<u>Other Property, plant</u>
	<u>provided under contracts</u>	<u>&amp; Equipment</u>
Furniture and Fixtures	5 years	3 years
Equipments	3 years	5 years

Leasehold improvement are depreciated over the tenure of lease term.

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

### b) Intangible assets

#### 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.

#### Amortization

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

The estimated useful lives for current and comparative year are as follows:

Software - 4-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## 2.2 Significant Accounting Policies (Continued)

### 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 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 recognized 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 recognized 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:

- Amortized cost,
- Fair value through profit (FVTPL)
- Fair value through other comprehensive income (FVOCI)

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

##### Amortized cost:

A financial instrument is measured at the amortized 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.

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 recognized 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

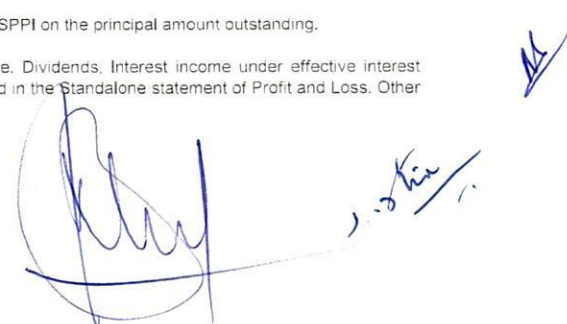
The asset is held within a business model whose objective is achieved by both

- 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 recognized in the Standalone statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

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## 2.2 Significant Accounting Policies (Continued)

### d) Financial Instruments (Continued)

#### Derecognition

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

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

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or

- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 recognized 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 amortized 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 recognized 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.

##### Financial Liabilities at amortized cost:

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

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

#### Derecognition

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

#### Offsetting of financial instruments

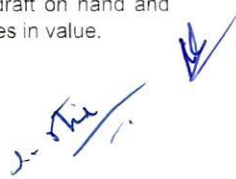
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### 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.







## 2.2 Significant Accounting Policies (Continued)

### f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized 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 recognized 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.

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 recognized till the realization 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), while invoicing in excess of revenues are classified as Contract Liability (unearned revenue).

#### a) Workforce management:

Revenue from staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognised in accordance with the agreed terms as the related services are rendered.

Revenue from training services are recognised over the period of training.

### h) Other income

#### Interest income

For all debt instruments measured at amortized 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) 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 recognized 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 compensated 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 recognized 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.

#### (ii) Share-based payments

The cost of equity settled transactions is determined by the fair value at the grant date which is based on the Black Scholes model. The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity under "Employee Stock Options reserve", over the period that the employees become unconditionally entitled to the options. The expense is recorded separately for each vesting portion of the award as if the award, in substance, was multiple awards.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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## 2.2 Significant Accounting Policies (Continued)

### (iii) 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 recognized 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 are 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).

### j) Leases:

#### As a Lessee:

##### Transition:

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2018 i.e. date of transition to Ind AS). The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2018. The Company has adopted Ind AS 116 using the modified retrospective method for transitioning. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

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. 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 amortized 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 recognized 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. 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 transfers 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.

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## 2.2 Significant Accounting Policies (Continued)

### k) 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.

### l) Income-tax

Income tax expense /income comprises current tax expense /income and deferred tax expense /income. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income. In which case, the tax is also recognized 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.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred Tax

Deferred tax is recognized 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 recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be 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.

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

### m) Foreign currency

#### **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 recognized in profit or loss in the year in which they arise.

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## 2.2 Significant Accounting Policies (Continued)

### n) Dividend

The Company recognizes 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.

### o) Earnings per share:

Basic Earnings per share is calculated by dividing the profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### p) 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.

### q) 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". Further the geographic segments are not applicable since assets are only in India.

### r) Recent amendments:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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FirstMeridian Business Services Private Limited  
Notes forming part of the financial statements  
All amounts are ₹ in Lakhs unless otherwise stated

3 Property, plant and equipment

Description of assets	Computers	Office Equipments	Furniture & Fixtures	Leasehold Improvements	Total
<b>Deemed Cost (refer note 3.1)</b>					
<b>As at February 20, 2018</b>	-	-	-	-	-
Additions	12.58	46.91	2.46	44.50	106.45
<b>As at March 31, 2019</b>	<b>12.58</b>	<b>46.91</b>	<b>2.46</b>	<b>44.50</b>	<b>106.45</b>
Additions	2.04	0.57	-	-	2.61
<b>As at March 31, 2020</b>	<b>14.62</b>	<b>47.48</b>	<b>2.46</b>	<b>44.50</b>	<b>109.06</b>
<b>Depreciation</b>					
<b>As at February 20, 2018</b>	-	-	-	-	-
Depreciation expense for the year	1.91	2.70	0.11	4.22	8.94
<b>As at March 31, 2019</b>	<b>1.91</b>	<b>2.70</b>	<b>0.11</b>	<b>4.22</b>	<b>8.94</b>
Depreciation expense for the period	4.64	6.15	0.24	8.92	19.95
<b>As at March 31, 2020</b>	<b>6.55</b>	<b>8.85</b>	<b>0.35</b>	<b>13.14</b>	<b>28.89</b>
<b>As at March 31, 2020</b>	<b>8.07</b>	<b>38.63</b>	<b>2.11</b>	<b>31.36</b>	<b>80.17</b>
<b>As at March 31, 2019</b>	<b>10.67</b>	<b>44.21</b>	<b>2.35</b>	<b>40.28</b>	<b>97.51</b>

3.1 The Company has elected to use the carrying amounts (net block) measured as per the previous GAAP as deemed cost (gross block) as at April 1, 2019 (i.e. the transition date)

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**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**4 Other intangible assets**

Description of assets	Software Rights
<b>Deemed Cost</b>	
As at February 20, 2018	-
Additions	8.61
<b>As at March 31, 2019</b>	<b>8.61</b>
Additions	6.93
<b>As at March 31, 2020</b>	<b>15.54</b>
<b>Depreciation</b>	
As at February 20, 2018	
Depreciation expense for the year	0.48
<b>As at March 31, 2019</b>	<b>0.48</b>
Depreciation expense for the period	4.47
<b>As at March 31, 2020</b>	<b>4.95</b>
<b>As at March 31, 2020</b>	<b>10.59</b>
<b>As at March 31, 2019</b>	<b>8.13</b>

**5 Investments in subsidiary**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Qty. (no.)	Amount	Qty. (no.)	Amount
<b>Unquoted Investments (all fully paid)</b>				
<b>Investments in equity instruments (at cost)</b>				
<b>(a) Affluent Global Services Private Limited (refer note 5.1 below)</b>				
Equity Shares of the face value of ₹ 10/- each fully paid-up	7,527	6,456.91	7,527	6,456.91
<b>(b) Innovsource Facilities Private Limited (refer note 5.2 below)</b>				
Equity Shares of the face value of ₹ 10/- each fully paid-up	48,89,999	933.06	48,89,999	933.06
<b>(c) Innovsource Services Private Limited (refer note 5.2 below)</b>				
Equity Shares of the face value of ₹ 10/- each fully paid-up	11,53,29,999	12,549.94	11,53,29,999	12,549.94
<b>(d) V5 Global Services Private Limited (refer note 5.1 below)</b>				
Equity Shares of the face value of ₹ 10/- each fully paid-up	5,62,348	5,254.67	5,62,348	5,254.67
<b>Total investments</b>		<b>25,194.58</b>		<b>25,194.58</b>

5.1 During the previous year 2018-2019, the Company had acquired 76% of the equity shares in V5 Global Services Private Limited ('V5') and 73% of the equity shares in Affluent Global Services Private Limited ('Affluent') with effect from July 5, 2018 and September 17, 2018 respectively. In respect of the balance shares, the Company is committed to acquire the remaining shares in V5 Global Services Private Limited and Affluent Global Services Private Limited at a future date as per the respective shareholder's agreement.

The call option and the written put option over the shares of Affluent Global Services Private Limited are to be exercised at "X" multiple of EBITDA. The agreed multiple of EBITDA are near to its approximates the fair value, therefore the option value is estimated to be insignificant to the financial statement as a whole. Accordingly no adjustment has been made in the financial statements.

5.2 In respect of the cost of Investments in Innovsource Services and Innovsource Facilities, an additional amount of Rs. 3.30 Crore per sponsor for two sponsors is payable at a future date. However the management is of the view that considering that certain related conditions are not yet fulfilled completely, a reasonable estimate of amount to be paid cannot be determined and hence this amount is not being considered as a part of the purchase consideration.

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**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**6 Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Loans to related parties (refer note 29.3)	571.00	572.00
<b>Total</b>	<b>571.00</b>	<b>572.00</b>

**7 Other financial assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Deposit for premises	32.23	25.98
Receivable from related parties (refer note 29.3)	6.86	-
<b>Total</b>	<b>39.09</b>	<b>25.98</b>
<b>Current</b>		
Interest accrued on loans to related parties (refer note 29.3)	1.27	37.98
Interest accrued on fixed deposits	-	222.54
<b>Total</b>	<b>1.27</b>	<b>260.52</b>

**8 Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	205.61	88.38
<b>Total</b>	<b>205.61</b>	<b>88.36</b>

Above balances of trade receivables include balances with related parties (refer note no.29.3).

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

**Cash and bank balances**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>9 Cash and cash equivalents</b>		
Balances with banks - in current account	120.90	281.71
<b>Total</b>	<b>120.90</b>	<b>281.71</b>
<b>10 Bank balance other than Cash and cash equivalents</b>		
Balances with banks - in other deposit accounts - original maturity more than 3 months but less than 12 months	4,712.05	4,379.03
<b>Total</b>	<b>4,712.05</b>	<b>4,379.03</b>

**11 Other current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	24.73	37.22
Advance salaries to employees	0.09	-
Advance to suppliers - considered good	35.94	-
GST receivable	45.08	160.11
<b>Total</b>	<b>105.84</b>	<b>197.33</b>

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FirstMeridian Business Services Private Limited  
Notes forming part of the financial statements  
All amounts are ₹ in Lakhs unless otherwise stated

12 Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised share capital</b> 9,02,93,460 Equity Shares of ₹ 10/- each	9,029.35	9,029.35
<b>Issued and subscribed capital comprises:</b> 7,22,19,134 Equity Shares of ₹ 10/- each Fully Paid up	7,221.91	7,221.91
<b>Total</b>	<b>7,221.91</b>	<b>7,221.91</b>

12.1 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.

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

Particulars	As at March 31, 2020	
	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>		
Manpower Solutions Limited (Holding Company)	6,42,76,359	89.00%
New Lane Trading LLP	45,48,532	6.30%
	As at March 31, 2019	
	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>		
Manpower Solutions Limited (Holding Company)	6,42,76,359	89.00%
New Lane Trading LLP	45,48,532	6.30%

13 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium account	24,643.61	24,643.61
Retained earnings	(1,231.33)	(1,018.08)
Stock options outstanding account	54.86	-
<b>Total</b>	<b>23,467.14</b>	<b>23,625.53</b>

14 Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Accrued compensation to employees	259.79	87.58
<b>Total</b>	<b>259.79</b>	<b>87.58</b>

15 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a.Non-Current</b>		
- Provision for gratuity	14.96	2.37
	<b>14.96</b>	<b>2.37</b>
<b>b.Current</b>		
- Provision for compensated absences	16.74	6.56
<b>Total</b>	<b>16.74</b>	<b>6.56</b>

16 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	33.20	29.62
<b>Total</b>	<b>33.20</b>	<b>29.62</b>

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**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**17 Revenue from operations**

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
Sale of services	1,039.08	276.44
	<b>1,039.08</b>	<b>276.44</b>

**18 Other Income**

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Bank deposits	323.12	314.56
- Loans from related parties	51.39	58.55
- others	1.76	1.10
	<b>376.27</b>	<b>374.21</b>
<b>TOTAL</b>	<b>376.27</b>	<b>374.21</b>

**19 Employee benefits expenses**

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
Salaries and wages	1,040.39	421.81
Contribution to provident and other funds	6.07	1.45
Gratuity (refer note 28)	8.00	2.37
Staff welfare expenses	12.22	1.11
Expense on employee stock option scheme	47.99	-
	<b>1,114.67</b>	<b>426.74</b>

**20 Finance Costs**

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
Interest expense on lease liability	14.10	10.73
<b>Total</b>	<b>14.10</b>	<b>10.73</b>

\* Refer note no. 26 on leases



**FirstMeridian Business Services Private Limited**  
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**All amounts are ₹ in Lakhs unless otherwise stated**

**21 Depreciation and amortisation expense**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the period 20 February 2018 to 31 March 2019</b>
Depreciation of property, plant and equipment	19.47	8.94
Depreciation of right-of-use asset*	36.24	24.06
Amortisation of intangible assets	4.95	0.48
<b>Total depreciation and amortisation expenses</b>	<b>60.66</b>	<b>33.48</b>

\* Refer note no. 26 on leases

**22 Other expenses**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the period 20 February 2018 to 31 March 2019</b>
Auditor's remuneration (refer note 22.1 below)	14.46	8.00
Repairs and maintenance Expenses	5.77	2.89
Insurance	25.20	5.01
Rent	5.63	10.22
Power and fuel	7.85	4.51
Rates and taxes	0.89	0.03
Legal and professional fees	242.81	1,084.63
Travelling and conveyance	93.48	63.89
Miscellaneous expenses	38.49	18.60
<b>Total</b>	<b>434.58</b>	<b>1,197.78</b>

**22.1 Payments to auditors**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the period 20 February 2018 to 31 March 2019</b>
a) for audit	7.50	7.50
b) for tax audit	0.50	0.50
c) for other services	6.46	-
<b>Total</b>	<b>14.46</b>	<b>8.00</b>

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**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**23 Current tax and deferred tax**

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

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
Profit before tax	(208.66)	(1,018.08)
Income tax expense calculated (incl. surcharge)	25.17%	29.12%
Income tax expense calculated (incl. surcharge)	(52.52)	(296.46)
Deferred tax asset not recognised (refer note 23.2)	52.52	296.46
<b>Income tax expense recognised In profit or loss</b>	<b>-</b>	<b>-</b>

During the year ended 31 March 2020, the Company has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2020.

**23.2 Deferred Tax**

The Company has not recognised deferred tax asset, of Rs. 295.04 lakhs for the year ended March 31, 2020 (Previous year Nil), with respect to its tax losses and other temporary differences as it is unable to quantify the probability of its off-set against estimated immediate future profits. The estimated future profits are based on estimated business plan, hence, the recognition is sensitive to the changes in the business plan.

**24 Basic earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2020	For the period 20 February 2018 to 31 March 2019
(Loss) for the year attributable to owners of the Company	(208.66)	(1,018.08)
Weighted average number of equity shares	7,22,19,134	4,72,78,182
Basic and Diluted earnings per share	(0.29)	(2.15)

The share options outstanding are anti-dilutive (which decreases the loss per share), hence such conversion is not considered for the purpose of dilution and the dilutive earnings per share is same as basic earnings per share.



**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**25 Contingent liabilities and commitments**

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debt	-	-

**25.1 Capital commitments:**

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for Capital commitment for purchase of shares	Note 5.1	-

**26 Leases**

**26.1 Transition**

Company got incorporated on 20th February, 2018 and company has applied lease standard from 20th February, 2018. The adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 183.85 Lacs and a lease liability of ₹ 174.04 Lacs for leases entered during the FY 2018-19. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**26.2 The following is the summary of practical expedients elected on initial application:**

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

**26.3** 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 and Amortisation Expense" and "Finance costs" respectively under Note No 4 and 5.

**26.4** The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2018 is 10%.

**26.5** Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Category of ROU	Amount (Rs.)
	Office Space	
<b>Balance as of Feb 20, 2018</b>	-	-
Additions	183.85	183.85
Depreciation	(24.06)	(24.06)
<b>Balance as of March 31, 2019</b>	159.79	<b>159.79</b>
<b>Balance as of Feb 20, 2018</b>	<b>159.79</b>	159.79
Depreciation	(36.24)	(36.24)
<b>Balance as of March 31, 2020</b>	<b>123.55</b>	<b>123.55</b>

**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**26 Leases (Continued)**

**26.6 The following is the break-up of current and non-current lease liabilities as of March 31, 2020:**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Lease liabilities	32.55	27.56
Non-current lease liabilities	102.61	135.16
<b>Total</b>	<b>135.16</b>	<b>162.72</b>

**26.7 The following is the movement in lease liabilities:**

Particulars	Amount (Rs.)
Balance as of Feb 20, 2018	-
Additions	174.04
Finance cost accrued during the period	10.73
Payment of lease liabilities	(22.04)
<b>Balance as of March 31, 2019</b>	<b>162.73</b>
Balance as of Feb 20, 2018	162.73
Additions	-
Finance cost accrued during the period	14.10
Payment of lease liabilities	(41.67)
<b>Balance as of March 31, 2020</b>	<b>135.16</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than 1 year	43.75	41.67
Later than 1 year and not later than 5 years	114.68	158.43
Later than 5 years	-	-
	<b>158.43</b>	<b>200.10</b>

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.

**26.9 Amounts recognised in profit and loss**

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense on right-of-use assets	36.24	24.06
Interest expense on lease liabilities	14.10	10.73
Expense relating to short-term leases	5.63	10.22

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**Standard Industries Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**27 Segment information**

The Company is considered to be a single segment company 'Management service' – engaged in the business of providing management services. As per Ind AS 108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS 108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 Operating Segments has been given in the consolidated financial statements.

**28 Employee benefits**

**i) Defined Contribution Plan**

The Company's contribution to Provident fund and other funds aggregating during the year ended March 31, 2020 is ₹ 6.07 Lakhs and during the period ended 31 March 2019: ₹ 1.45 Lakhs has been recognised in the statement of profit or loss

**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**

**(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). Mortality 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	Valuation as at	
	March 31, 2020	March 31, 2019
<b>(i). Financial assumptions</b>		
Discount rate (p.a.)	6.41%	7.25%
Salary escalation rate (p.a.)	7.00%	7.00%
Rate of employee turnover (p.a.)	10.00%	10.00%
<b>(ii). Demographic assumptions</b>		
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult

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

Particulars	March 31, 2020	March 31, 2019
Current service cost	7.83	2.37
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	0.17	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>8.00</b>	<b>2.37</b>
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising form changes in financial assumptions	1.01	-
Actuarial (gains)/loss arising form experience adjustments	3.58	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>4.59</b>	<b>-</b>
<b>Total</b>	<b>12.59</b>	<b>2.37</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, 2020 and for the year ended March 31, 2019.

**Standard Industries Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**28 Employee benefits (Continued)**

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

Particulars	March 31, 2020	March 31, 2019
Present value of benefit obligation at the end of the year	14.96	2.37
<b>Unfunded status -Surplus</b>	<b>14.96</b>	<b>2.37</b>

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

Particulars	March 31, 2020	March 31, 2019
Opening of defined benefit obligation	2.37	-
Current service cost	7.83	2.37
Past service cost		
Interest on defined benefit obligation	0.17	-
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	1.01	-
Actuarial loss / (gain) arising on account of experience changes	3.58	-
<b>Closing of defined benefit obligation</b>	<b>14.96</b>	<b>2.37</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 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 1%.

Principal assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption
<b>a) Discount rate</b>		
As at March 31, 2020 ( with 1% Change)	0.15	13.77
As at March 31, 2019 ( with 1% Change)	2.15	2.61
<b>b) Salary Escalation Rate</b>		
As at March 31, 2020 ( with 1% Change)	0.16	13.76
As at March 31, 2019 ( with 1% Change)	0.03	2.15
<b>c) Employee Turnover Rate</b>		
As at March 31, 2020 ( with 25% Change)	0.14	16.19
As at March 31, 2019 ( with 25 % Change)	0.02	2.63

**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.



**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
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**29 Related parties transactions**

**29.1 Names of the related parties and related party relationships**

Particulars	Relationship as at March 31, 2020 and March 31 2019
Manpower Solutions Limited	Holding company
Innovsource Services Private Limited (w.e.f June 28, 2019)	Subsidiary company
Innovsource Facilities Private Limited (w.e.f June 28, 2019)	Subsidiary company
V5 Global Services Private Limited (w.e.f July 5, 2019)	Subsidiary company
Affluent Global Services Private Limited (w.e.f September 17, 2019)	Subsidiary company
<b>Key Management Personnel</b>	
Sudhakar Balakrishnan (w.e.f March 21, 2018)	Director
Bandaru Venkaiah Naidu	Non-executive Director
Ankur Vidyasagar Gulati (wef 11.12.2019)	Non-executive Director
Manish Mehta	Non-executive Director
Niladri Mukhopadhyay (wef 23.10.2019)	Non-executive Director
Nilay Pratik	Non-executive Director
Jiten Umesh Poojara	Non-executive Director
Satish Srinivasan	Chief Financial Officer
Monali Pramod Joshi (wef 24.07.2019)	Company secretary

**29.2 Details of related party transactions**

Particulars	March 31, 2020	March 31, 2019
<b>Manpower Solutions Limited</b>		
Issuance of shares during the year (including Securities premium account)	-	28,470.00
<b>Innovsource Services Private Limited</b>		
Revenue from IT Development services	696.36	172.45
Expenses	-	10.01
Interest Income on unsecured loan	15.39	36.85
Loan given	1,290.00	1,100.00
Repayment of loan given	1,290.00	929.00
Share based payments	3.94	-
<b>Affluent Global Services Private Limited</b>		
Sale of services	138.80	54.72
Share based payments	0.36	-
<b>V5 Global Services Private Limited</b>		
Sale of services	212.70	49.27
Reimbursement of expenses	8.48	2.42
Interest Income on unsecured loan	36.00	16.35
Loan given	800.00	400.00
Repayment of loan given	800.00	-
Share based payments	2.56	-
<b>Innovsource Facilities Private Limited</b>		
Loan given	-	470.00
Repayment of loan given	1.00	469.00
Interest Income	-	5.35
Reimbursement of cost	-	40.00
Expenses	0.35	-
<b>Satish Srinivasan</b>		
Remuneration	101.87	70.65
Reimbursement of expenses	2.59	2.91
<b>Sudhakar Balakrishnan</b>		
Remuneration	143.21	110.50
Reimbursement of expenses	1.06	7.90

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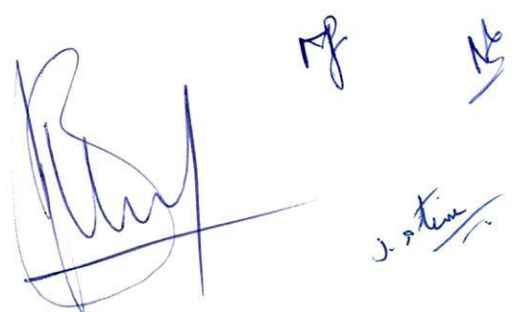
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FirstMeridian Business Services Private Limited  
Notes forming part of the financial statements  
All amounts are ₹ in Lakhs unless otherwise stated

29 Related parties transactions

29.3	Details of related party closing balances	March 31, 2020	March 31, 2019
	<b>Innovsource Services Private Limited</b>		
	Loan given	171.00	171.00
	Trade receivable	171.66	68.98
	Other financial assets	3.94	-
	Interest Accrued	1.28	-
	Trade payable	-	10.44
	Reimbursement of acquisition cost (as a part of purchase consideration)	-	429.00
	<b>Innovsource Facilities Private Limited</b>		
	Trade payable	0.42	-
	Loan given	-	1.00
	Interest Accrued	-	4.82
	<b>Affluent Global Services Private Limited</b>		
	Trade receivable	1.59	19.40
	Other financial assets	0.36	-
	<b>V5 Global Services Private Limited</b>		
	Loan given	400.00	400.00
	Trade receivable	0.25	-
	Other financial assets	2.56	-
	Trade payable	-	2.86
	<b>Satish Srinivasan</b>		
	Accrued compensation to employees	27.97	11.70
	<b>Sudhakar Balakrishnan</b>		
	Accrued compensation to employees	59.14	9.75

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**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**30 Financial instruments**

**30.1 Financial instruments by category**

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

Particulars	Total carrying value
<b>As at March 31, 2020</b>	
<b>Financial assets measured at amortised cost</b>	
<b>Non-Current</b>	
Loans	571.00
Other financial assets	39.09
<b>Current</b>	
Cash and cash equivalents	120.90
Bank balance other than Cash and cash equivalents	4,712.05
Trade receivables	205.61
Other financial assets	1.27
<b>Financial Liabilities measured at amortised cost</b>	
<b>Current</b>	
Trade payables	61.00
Other financial liabilities	259.79
<b>As at March 31, 2019</b>	
<b>Financial assets measured at amortised cost</b>	
<b>Non-Current</b>	
Loans	572.00
Other financial assets	25.98
<b>Current</b>	
Cash and cash equivalents	281.71
Bank balance other than Cash and cash equivalents	4,379.03
Trade receivables	88.36
Other financial assets	260.52
<b>Financial Liabilities measured at amortised cost</b>	
<b>Current</b>	
Trade payables	162.63
Other financial liabilities	87.58

**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 market risk, credit risk, interest risk and liquidity 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

Trade receivables consist of a large number of customers, spread across various geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

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**FirstMeridian Business Services Private Limited**  
**Notes forming part of the financial statements**  
**All amounts are ₹ in Lakhs unless otherwise stated**

**30 Financial instruments (Cont.)**

**Maturities of financial liabilities**

Table showing maturity profile of non-derivative financial liabilities:

Particulars	Upto One year	1-5 years	Total
<b>March 31, 2020</b>			
Trade payables	61.00	-	<b>61.00</b>
Other financial liabilities	259.79	-	<b>259.79</b>
<b>March 31, 2019</b>			
Trade Payables	162.63	-	<b>162.63</b>
Other financial liabilities	87.58	-	<b>87.58</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.

**30.4 Fair value of financial assets and financial liabilities that are measured at amortised cost:**

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

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*J. Dix*



31 First-time adoption of Ind-AS

31.1 First time Ind AS adoption reconciliations

(i) Reconciliation of total equity as at March 31, 2019

Particulars	Notes	As at March 31, 2019
<b>Total equity as per previous GAAP</b>		<b>30,859.09</b>
<b>Ind AS adjustments:</b>		
Impact on adoption of Ind AS 116	a.	(12.75)
Fair Valuation of Security Deposits	b	1.10
Deferred tax on above adjustments		-
<b>Total adjustments</b>		<b>(11.65)</b>
<b>Total equity</b>		<b>30,847.44</b>

(ii) Reconciliation of total comprehensive income for the year ended March 31, 2019:

Particulars	Notes	For the year ended March 31, 2019
<b>Loss as per previous GAAP</b>		<b>(1,130.55)</b>
<b>Ind AS Adjustments:</b>		
Impact on adoption of Ind AS 116	a.	(12.75)
Fair Valuation of Security Deposits	b	1.10
Share Issue Expenses adjusted with Securities Premium	c	124.12
<b>Total effect of transition to Ind AS</b>		<b>112.47</b>
<b>Loss under Ind AS</b>		<b>(1,018.08)</b>
Other comprehensive income (net of tax)		
<b>Total Comprehensive Income</b>		<b>(1,018.08)</b>

**Note:** Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

31.2 Notes to reconciliation

- The provision is made against trade receivables based on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made when the receivable turned doubtful based on the assessment on case to case basis.
- Under Indian GAAP, there are certain security deposits (refundable) given which are carried at nominal value. Ind AS requires to measure these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Company recognises difference between deposit fair value and nominal value as Right to use asset and same is being recognised as depreciation expense on straight line basis over the lease period. Further, Company recognises notional interest income on these deposit over the lease term.
- Under Previous GAAP, the share issue expenses are charged off to the profit or loss account, whereas Ind AS requires this to be directly debited to other equity.

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### 32 Employee Stock Option Scheme (ESOS)

During the FY 2019-20, the Board Governance & Remuneration committee in its meeting held on 03 April, 2019 granted 293572 stock options under the Scheme name: FirstMeridian Business Services Private Limited - Employee Stock Option Scheme 2019 ((ESOP 2019) to the few eligible employees of the Company. The options allotted under the scheme are convertible into equal number of equity shares of the face value of Rs. 10 each. The scheme shall be implemented through the ESOP Trust. The ESOP Trust shall be authorized to acquire equity shares of the Company.

Each Option entitles the holder thereof to apply for and be allotted one equity share of the Company of Rs. 10 each upon payment of the exercise price during the exercise period. The option would vest in 3 annual installments after one year of the grant. The exercise period commences from the date of vesting of the options and expires at the end of six years from the date of grant and would not exceed 3 years from the date of vesting in respect of Options granted under the Scheme.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of option	33% vests
On completion of 24 months from the date of grant of option	33% vests
On completion of 36 months from the date of grant of option	34% vests

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the awards during the year ended 31 March, 2020 and 1 April, 2018. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2020	
	No. of Options	Weighted average exercise price (₹)
<b>Options granted under ESOS</b>		
Options outstanding at the beginning of the year	-	-
Options granted during the year	2,93,572.00	46.88
Options outstanding at the end of the year	2,93,572.00	-
Options exercisable at the end of the year	-	-
Range of exercise price of outstanding options (₹)	₹ 40-200	
Remaining contractual life of outstanding options (years)	7	

The fair value of option is estimated on the date of grant based on the following assumptions:

Particulars	ESOS
	On the date of Grant
	Tranche I
Dividend yield (%)	0%
Expected life	7
Risk free interest rate (%)	6.98%
Volatility (%)	35.68%
Fair Value*	46.88

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The volatility is based on the historical share price over a period similar to the expected life of the options.

33 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.

For and on behalf of the Board of Directors of  
First Meridian Business Services Private Limited

Sudhakar Balakrishnan  
Director  
DIN - 00082956

Nilay Pratik  
Director  
DIN - 07692750

Satish Srinivasan  
Chief Financial Officer

Monali Ramod Joshi  
Company Secretary

Place: Mumbai

Date : September 25th, 2020