

FirstMeridian Business Services Limited
(formerly known as FirstMeridian Business Services Private Limited)
Consolidated Balance Sheet as at March 31, 2022
All amounts are ₹ in million unless otherwise stated

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
1 Non-current assets			
a. Property, plant and equipment	3	102.75	90.59
b. Right-of-use asset	29.3	297.32	227.05
c. Goodwill	4	800.14	440.06
d. Other intangible assets	5	382.39	295.38
e. Intangible assets under development	5.3	10.72	-
f. Financial assets	7	843.70	609.91
g. Deferred tax asset (net)	8	123.95	72.22
h. Non-current tax assets (net)		572.33	374.35
i. Other non-current assets	9	2.57	0.82
Total non-current assets		3,135.87	2,110.38
2 Current assets			
a. Financial assets			
i. Trade receivables	10	2,255.04	1,330.90
ii. Cash and cash equivalents	11	2,500.74	491.23
iii. Other bank balances	12	311.06	668.54
iv. Loans	6	1.00	0.20
v. Other financial assets	7	1,690.41	1,255.87
b. Current tax assets (net)		-	315.50
c. Other current assets	9	134.37	62.13
Total current assets		6,892.62	4,124.37
Total assets		10,028.49	6,234.75
Equity and liabilities			
Equity			
a. Equity share capital	13	726.92	722.19
b. Other equity	14	3,257.90	1,563.78
Total equity		3,984.82	2,285.97
Liabilities			
1 Non-current liabilities			
a. Financial liabilities			
i. Borrowings	15	-	1.26
ii. Lease liabilities	29.5	208.53	164.14
iii. Other financial liabilities	16	53.83	122.78
b. Provisions	17	556.36	413.62
c. Deferred tax liability (net)	8	120.77	181.42
Total non-current liabilities		939.49	883.22
2 Current liabilities			
a. Financial liabilities			
i. Borrowings	15	602.74	75.94
ii. Lease liabilities	29.5	105.08	70.94
iii. Trade payables	18		
-Total outstanding dues of micro and small enterprises		21.79	12.04
-Total outstanding dues of creditors other than micro and small enterprises		328.74	172.11
iv. Other financial liabilities	16	2,684.14	1,760.44
b. Provisions	17	316.88	216.39
c. Other current liabilities	19	1,044.81	757.70
Total current liabilities		5,104.18	3,065.56
Total liabilities		6,043.67	3,948.78
Total equity and liabilities		10,028.49	6,234.75

Significant accounting policies

Notes forming part of consolidated Financial Statements

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

FRN No. : 117366W/W-100018

Mukesh Jain
Partner
Membership No. 108262
Place: Mumbai
Date : August 08, 2022



For and on behalf of the Board of Directors of
FirstMeridian Business Services Limited
(formerly known as FirstMeridian Business Services Private Limited)

Sudhakar Balakrishnar
Director
DIN - 00062956
Place: Bangalore
Date : August 08, 2022

Satish Srinivasan
Chief Financial Officer
Place: Bangalore
Date : August 08, 2022

Nilay Pratik
Director
DIN - 07692750
Place: Mumbai
Date : August 08, 2022

Monali Pramod Joshi
Company Secretary
Membership No: A36428
Place: Mumbai
Date : August 08, 2022



FirstMeridian Business Services Limited
(formerly known as FirstMeridian Business Services Private Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
All amounts are ₹ in million unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Income			
	Revenue from operations	20	28,621.23	21,102.86
	Other income	21	72.53	138.90
	Total income (I)		28,693.76	21,241.76
II	Expenses			
	Purchase of traded goods		20.87	-
	Employee benefits expense	22	27,048.65	20,112.88
	Finance costs	23	42.34	29.12
	Depreciation and amortisation expense	24	375.58	765.49
	Other expenses	25	977.90	630.41
	Total expenses (II)		28,465.34	21,537.90
III	Profit/(loss) before tax (I- II)		228.42	(296.14)
IV	Tax expenses	26		
	Current tax		73.87	33.88
	Deferred tax (credit)/charge		(186.37)	6.54
	Total tax expense (IV)		(112.50)	40.42
V	Profit/(loss) for the year (III- IV)		340.92	(336.56)
VI	Other comprehensive income			
	Items that will not be reclassified subsequently to Consolidated Profit or Loss			
	- Gain on remeasurements of the defined benefit plans		9.80	7.30
	- Income tax effect on above		(2.82)	(1.73)
VII	Total comprehensive income for the year (V+VI)		347.90	(330.99)
VIII	Earnings per equity share	27		
	Basic (In ₹)		4.67	(4.66)
	Diluted (In ₹)		4.53	(4.66)

Significant accounting policies 1-2
Notes forming part of consolidated Financial Statements 3-43

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FirstMeridian Business Services Limited
(formerly known as FirstMeridian Business Services Private Limited)
Consolidated Statement of Cash Flows for the year ended March 31, 2022
All amounts are ₹ in million unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flows from operating activities		
Profit/(loss) for the year before tax	228.42	(296.14)
Adjustments for:		
Depreciation and amortisation expense	375.58	765.49
Gain on account of early termination of leases	(1.01)	(2.20)
Interest Income	(53.81)	(101.68)
Net (gain)/loss on sale of property, plant and equipment	(1.57)	3.17
Finance costs	42.34	29.12
Provision no longer required written back	(7.70)	(12.26)
Provision for doubtful trade and other receivables including bad debts written off	12.65	13.42
Employee stock option amortisation (net of forfeiture)	99.55	10.19
Net loss/(gain) arising on fair valuation/settlement of put liability	38.17	(12.84)
Operating profit before working capital changes	732.62	396.27
Movements in working capital:		
<i>(Increase)/ Decrease in assets :</i>		
Trade receivables	(829.45)	224.54
Other assets	(643.89)	(805.94)
<i>Increase/ (Decrease) in liabilities :</i>		
Trade and other payables	79.64	(4.41)
Provisions and other liabilities	1,142.82	291.26
Cash generated from operations	481.74	101.72
Income taxes refund received	109.58	366.27
Net cash generated from operating activities (A)	591.32	467.99
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible including capital advances	(86.55)	(77.07)
Purchase consideration paid net of cash acquired/ cash paid towards settlement of put liability	(497.96)	(278.58)
Proceeds from sale of property, plant and equipment	35.85	11.41
Bank deposits having original maturity of more than three months	357.48	(196.46)
Interest Income	46.49	34.90
Net cash used in investing activities (B)	(144.69)	(505.80)
C. Cash flows from financing activities		
Proceeds/(repayment) from borrowing	494.85	(148.22)
Payment of lease liabilities including interest payments	(109.09)	(89.83)
Share application money pending allotment	1,199.26	-
Share issue expenses (refer note 14.1)	(3.38)	-
Interest paid	(18.77)	(11.79)
Net cash generated/(used in) from financing activities (C)	1,562.88	(249.84)
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	2,009.51	(287.65)
Cash and cash equivalents at the beginning of the year	491.23	778.88
Cash and cash equivalents at the end of the year (refer note 12)	2,500.74	491.23

Significant accounting policies
Notes forming part of consolidated Financial Statements

1-2
3-43

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FirstMeridian Business Services Limited
(formerly known as FirstMeridian Business Services Private Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
All amounts are ₹ in million unless otherwise stated

a. Equity share capital

For the year ended March 31, 2022	Changes in equity share capital due to prior period errors	Balance at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
722.19	-	722.19	4.73	726.92

For the year ended March 31, 2021	Changes in equity share capital due to prior period errors	Balance at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
722.19	-	722.19	-	722.19

b. Other equity

For the year ended March 31, 2022	Reserves and Surplus		Share option outstanding account	Share application money pending allotment	Total
	Securities premium reserve	Retained earnings			
Balance as at April 01, 2021	2,464.36	(916.26)	15.68	-	1,563.78
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance at April 01, 2021	2,464.36	(916.26)	15.68	-	1,563.78
Profit for the year	-	340.92	-	-	340.92
Share issues during the year	50.79	-	-	-	50.79
Share issues expenses	(3.38)	-	-	-	(3.38)
Share application money received during the year	-	-	-	1,199.26	1,199.26
Employee stock option amortisation (net of forfeiture)	-	-	99.55	-	99.55
Gain on remeasurements of the defined benefit plans (net of taxes)	-	6.98	-	-	6.98
Balance as at March 31, 2022	2,511.77	(568.36)	115.23	1,199.26	3,257.90

For the year ended March 31, 2021	Reserves and Surplus		Share option outstanding account	Total
	Securities premium reserve	Retained earnings		
Balance as at April 1, 2020	2,464.36	(585.27)	5.49	1,884.58
Changes in accounting policy or prior period errors	-	-	-	-
Balance at April 1, 2020	2,464.36	(585.27)	5.49	1,884.58
Loss for the year	-	(336.56)	-	(336.56)
Employee stock option amortisation (net of forfeiture)	-	-	10.19	10.19
Gain on remeasurements of the defined benefit plans (net of taxes)	-	5.57	-	5.57
Balance as at March 31, 2021	2,464.36	(916.26)	15.68	1,563.78

Significant accounting policies

Notes forming part of consolidated Financial Statements

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

FRN No. : 117366W/W-100018

Mukesh Jain
Partner

Membership No. : 108262

Place: Mumbai

Date : August 08, 2022



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FirstMeridian Business Services Limited

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Notes to the Consolidated Financial Statements

1. Corporate Information

FirstMeridian Business Services Limited (formerly known as "FirstMeridian Business Services Private Limited") (the "Company" "Parent Company" or "FMB") was originally incorporated as a private limited company on February 20, 2018 is converted into a public limited company on February 01, 2022 with Company Identification No: U74999MH2018PLC371978.

The status of the Parent Company is changed from private limited to a public company, and pursuant to the provisions of Section 18 of the Companies Act, 2013, read with Rule 33 of the Companies (Incorporation) Rules, 2014, as amended, the name of the Parent Company is changed from "FirstMeridian Business Services Private Limited" to "FirstMeridian Business Services Limited" with effect from February 01, 2022.

The Holding Company is engaged in business of providing management advisory services and staffing services. The Company is a subsidiary of Manpower Solutions Limited (Ultimate Holding Company) with effect from February 20, 2018. The registered office of the Company is located at 501, Jollyboard Tower-1, I Think Techno Campus, Kanjurmarg (East), Mumbai 400042.

The Consolidated Financial Statements are prepared for the Holding Company and its subsidiaries together referred to as the "Group".

Name of the subsidiary	% of holding as at		Country #	Principal activity
	March 31, 2022	March 31, 2021		
Innovsource Facilities Private Limited	100%	100%	India	Facility Management Services
Innovsource Services Private Limited	100%	100%	India	Manpower supply services
V5 Global Services Private Limited("V5")	100%	100%	India	Manpower supply services
Affluent Global Services Private Limited("Affluent")	100%	81.3%##	India	Technology Services
Linktag Global Services Private Limited*	100% of Affluent	100% of Affluent	India	Technology Services
CBSI India Private Limited	100%	100%	India	Technology Services
Rlabs Enterprise Services Limited	75%##	NA	India	Technology Services

* Merged with Affluent Global Services Private Ltd effective April 1, 2021

#Principal place of business / country of incorporation

The Group has classified the shares held by the NCI shareholders as financial liability as mentioned in the share purchase agreement (SPA) between the Group and the NCI holders, where the Group has an obligation to pay purchase consideration to the NCI shareholders on transfer of shares held in the subsidiaries.



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FirstMeridian Business Services Limited

(Formerly known as FirstMeridian Business Services Private Limited

Notes to the Consolidated Financial Statements

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

The Group's consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on August 08, 2022.

The Consolidated Financial Statements of the Group comprises of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended March 31, 2022 and the Summary of Significant Accounting Policies and explanatory notes (collectively, the 'Consolidated Financial Statements).

The Consolidated Financial Statements are presented in Indian Rupees "INR" or "₹" and all values are stated as INR or ₹ million, except when otherwise indicated.

b. Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Parent. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.



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FirstMeridian Business Services Limited

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Notes to the Consolidated Financial Statements

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parents of the Group and to the non-controlling interest, even if this results in the non-controlling interests have a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Parent loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

In case where the Group has written a put option with NCI in an existing subsidiary on their equity interest in that subsidiary then the Group evaluates access to the returns associated with the ownership interest. In case NCI still have present access to returns associated with the underlying ownership interest, then the Group has elected to account for put option as per the anticipated-acquisition method. Under the anticipated-acquisition method the put option is accounted for as an anticipated acquisition of the underlying NCI. This is independent of how the exercise price is determined (e.g., fixed or variable) and how likely it is that the option will be exercised. Subsequent to initial recognition, any changes in the carrying amount of the NCI liability is accounted through Consolidated Statement of profit and loss account.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in Consolidated Statement of Profit or Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating



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FirstMeridian Business Services Limited

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Notes to the Consolidated Financial Statements

the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Transaction costs that the Group incurs in connection with a business combination such as, finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Consolidated Statement of Profit or Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Consolidated Statement of profit or loss where such treatment would be appropriate if that interest were disposed-off.

Common control

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as common control entities. Common control transactions are accounted using pooling of interest method. The Consolidated Financial Statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee Company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

c. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle.
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or



FirstMeridian Business Services Limited

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Notes to the Consolidated Financial Statements

- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

d. Operating cycle

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

e. Basis of measurement

Basis of accounting

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

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

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

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

- Financial Instruments
- Share-based payment arrangements

f. Use of estimates and judgements

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported



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FirstMeridian Business Services Limited

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Notes to the Consolidated Financial Statements

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 Consolidated 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(m))
- 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(j))
- viii. Fair valuation of employee share options; (Note 2.2(j))

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 derecognised.



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Notes to the Consolidated Financial Statements

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to the Consolidated 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:

Particulars	Economic Useful Life of property, plant and equipment (Years)
Furniture & Fixture*	3-5 years

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

Leasehold improvements 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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of profit and loss.



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FirstMeridian Business Services Limited
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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 Consolidated Statement of profit and loss in the period in which the expenditure is incurred.

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

The estimated useful lives as mentioned below:

Description of the asset	Estimated Useful Life (Years)
Computer Software	3
Customer relationship	3-12

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

c. Impairment of non-financial assets

The Group'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 Consolidated 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 Group 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 amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



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d. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

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

Amortised cost:

A financial instrument is measured at the Amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at Amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12-month ECL only if there is no significant deterioration in the



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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 Group 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 Consolidated Statement of profit and loss.

Financial Liabilities at Amortised cost:

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

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

Derecognition

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

Offsetting of financial instruments

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



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e. Cash and Cash Equivalents

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

f. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the Consolidated Financial Statements where an inflow of economic benefit is probable.

g. Revenue recognition

The Group derives revenue primarily from General Staffing and Allied Services, Global Technology Solutions and Other HR services.

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

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

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



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

a) General Staffing and Allied Services:

Revenue from staffing services i.e., salary and incidental expenses of temporary associates along with services charges are recognised in accordance with the agreed terms as the related services are rendered. The Group acts as a principal for general staffing and allied services on such arrangements with customers and hence recognises the revenue on gross basis. Refer note J "Employee benefits" for policy relating to defined benefits.

b) Global Technology Solutions

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

c) Other HR services

Revenue from permanent recruitment services is recognised in accordance with the agreed terms as the related services are rendered.

h. Other income

Interest income

For all debt instruments measured at Amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Group 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 Consolidated Statement of profit and loss on the date on which the Group's right to receive payment is established.

i. Borrowing costs

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



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j. Employee benefits

(i). Short-term Employee benefits

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

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

A liability is recognised for the amount expected to be paid if the Group 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 determination of the fair value requires significant assumptions and judgements related to business projections, terminal growth, and weighted average cost of capital. The grant date fair value of options granted to employees is recognised 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.

(iii) Post-Employment Benefits

Defined Contribution Plans:

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



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Defined Benefit Plans:

The Group'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).

During the year ended March 31, 2022, the Group has changed its accounting policy to present component of defined benefit cost on net basis after considering right to reimbursement related to such defined benefits. (refer note 37).

I. Leases

As a Lessee:

The Group 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 Group assesses whether:

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

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

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

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives.



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- 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 Consolidated Balance Sheet. 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 Group 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 Consolidated Balance Sheet. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group 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 Group 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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m. Taxation

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

Current tax

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

- Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised 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 recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

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

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

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group 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



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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.

n. 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 recognised in Consolidated Statement of profit or loss in the year in which they arise.

o. Dividend

The Group 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 Group on or before the end of the reporting year.

p. Earnings per share:

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Cash Flow Statement

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

r. Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group for the purpose of performance assessment and to make decisions for resource allocation.

The reporting of segment information in the Consolidated Financial Statements is the same as provided to the management for the purpose of performance assessment and resource allocation to the segments.



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Segment accounting policies are in line with accounting policies of the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities and geographical operation of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

s. Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are material and non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group and to assist users of the Consolidated Financial Statements.

t. Recent accounting and other pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its Consolidated Financial Statements.

ii. Ind AS 16 – Proceeds before intended use

The amendments has clarified the accounting treatment for 'excess of net sale proceeds of items produced over the cost of testing'. The excess of net sale proceeds of item produced over the cost of testing, if any, should not be recognized in the statement of profit or loss but should be deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its Consolidated Financial Statements.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its Consolidated Financial Statements.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not



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expect the amendment to have any significant impact in its Consolidated Financial Statements.

v. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its Consolidated Financial Statements.

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All amounts are ₹ in million unless otherwise stated

3. Property, plant and equipment

Particulars	Data processing machines (Computer)	Furniture and fixtures	Office equipment	Vehicles	Leasehold improvements	Building	Total
Gross block							
Balance as at April 01, 2020	50.07	18.35	37.59	13.73	5.28	14.85	139.87
Additions for the year	35.37	18.15	6.47	-	-	-	59.99
Assets acquired through business combination (refer note 38)	0.26	0.01	0.13	-	-	-	0.40
Disposals for the year	(0.66)	(1.06)	(0.63)	-	-	(14.85)	(17.20)
Balance as at March 31, 2021	85.04	35.45	43.56	13.73	5.28	-	183.06
Additions for the year	41.74	4.30	9.82	-	4.96	-	60.82
Assets acquired through business combination (refer note 38)	2.06	-	0.14	0.58	-	29.93	32.71
Disposals for the year	(9.02)	(0.51)	(3.89)	(13.73)	-	(29.93)	(57.08)
Balance as at March 31, 2022	119.82	39.24	49.63	0.58	10.24	-	219.51
Accumulated depreciation							
Balance as at April 01, 2020	22.99	7.45	16.78	5.74	1.96	0.57	55.49
Depreciation expense for the year	19.01	5.44	10.22	3.30	1.07	0.56	39.60
Eliminated on disposal of assets for the year	(0.63)	(0.33)	(0.53)	-	-	(1.13)	(2.62)
Balance as at March 31, 2021	41.37	12.56	26.47	9.04	3.03	-	92.47
Depreciation expense for the year	26.41	7.20	9.21	2.53	1.50	0.25	47.10
Eliminated on disposal of assets for the year	(7.78)	(0.20)	(3.06)	(11.52)	-	(0.25)	(22.81)
Balance as at March 31, 2022	60.00	19.56	32.62	0.05	4.53	-	116.76
Net carrying amount							
Balance as at March 31, 2022	59.82	19.68	17.01	0.53	5.71	-	102.75
Balance as at March 31, 2021	43.67	22.89	17.09	4.69	2.25	-	90.59

3.1 The Group does not hold any immovable property (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) whose title deeds are not held in the name of the Group.

3.2 The Group has not revalued its property, plant and equipment during the year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable. In the case of the assets acquired on account of business combination the fair value of the asset acquired is equal to the cost of the asset and hence no revaluation has been performed as at the year end.

3.3 There are no impairment losses recognised during the year end.

3.4 For the year ended March 31, 2022, moveable plant and machinery of Innovsource Services Private Limited have been assigned (part-passu) to ICICI Bank against the borrowing taken by Innovsource Services Private Limited. (refer note 15 for details on borrowings)

3.5 Vehicles with a carrying amount of ₹ Nil (as at March 31, 2021: ₹ 4.69 million) have been pledged to secure borrowings of the Group (refer note 15 for details on borrowings)



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4 Goodwill

Particulars	Amount
Gross block	
Balance as at April 01, 2020	396.93
Recognised on acquisition of business (refer note 38)	43.13
Balance as at March 31, 2021	440.06
Recognised on acquisition of business (refer note 38)	360.08
Balance as at March 31, 2022	800.14
Accumulated impairment loss	
Balance as at April 01, 2020	-
Impairment loss for the year	-
Balance as at March 31, 2021	-
Impairment loss for the year	-
Balance as at March 31, 2022	-
Net carrying amount	
Balance as at March 31, 2022	800.14
Balance as at March 31, 2021	440.06

4.1 Impairment of goodwill

Carrying amount of goodwill is ₹ 800.14 million (March, 31 2021 is ₹ 440.06 million). This goodwill is acquired on account of business combination.

Goodwill is monitored by management at each Cash Generating Units ("CGU") level as given below:

Name of Cash Generating Unit	As at March 31, 2022	As at March 31, 2021
General Staffing and Allied Services	151.45	151.45
Global Technology Solutions	617.12	257.04
Other HR Services	31.57	31.57
Total	800.14	440.06

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. We believe 5 years to be most appropriate time scale over which to review and consider annual performance before applying a fixed terminal value multiple to year end cash flow.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Budgeted EBITDA growth rate	Budgeted EBITDA has been based on past experience adjusted for the following: - Revenue in the Staffing service is expected to grow on account of planned growth plan and industry expansion in general. Revenue and EBITDA are factored by focused approach towards network expansion, operational efficiencies and inter group customer relationship synergies.
Terminal value growth rate	Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business, long term inflation expectation and long term GDP expectation for the Indian economy.
Pre-tax risk adjusted discount rate	The discount rate applied to the cash flows of the Group's operations is generally based on the risk free rate for ten year bonds issued by the government in India. These rates are adjusted for a risk premium to reflect the systematic risk of the Group.

Particulars	As at March 31, 2022	As at March 31, 2021
Pre tax risk adjusted discount rate	16.00%	14.00%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	10-20%	15-25%

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external/internal sources of information.

The estimated recoverable value of CGU exceeds its carrying amount as at the yearend and therefore no impairment was recognised.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.



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5 Other Intangible assets

Particulars	Software rights	Right to use trademark	Customer relationship	Intellectual property	Total
Gross block					
Balance as at April 01, 2020	28.63	37.84	1,880.91	9.82	1,957.20
Additions for the year	17.08	-	15.73	-	32.81
Assets acquired through business combination (refer note 38)	-	-	22.64	-	22.64
Balance as at March 31, 2021	45.71	37.84	1,919.28	9.82	2,012.65
Assets acquired through business combination (refer note 38)	0.01	-	301.05	-	301.06
Additions for the year	14.98	-	-	-	14.98
Disposals for the year	(0.02)	-	-	(9.82)	(9.84)
Balance as at March 31, 2022	60.68	37.84	2,220.33	-	2,318.85
Accumulated amortisation					
Balance as at April 01, 2020	18.78	7.56	1,036.33	9.82	1,072.49
Amortisation expense for the year	5.78	4.32	634.68	-	644.78
Balance as at March 31, 2021	24.56	11.88	1,671.01	9.82	1,717.27
Amortisation expense for the year	11.20	3.96	213.87	-	229.03
Eliminated on disposal of assets for the year	(0.02)	-	-	(9.82)	(9.84)
Balance as at March 31, 2022	35.74	15.84	1,884.88	-	1,936.46
Net carrying amount					
Balance as at March 31, 2022	24.94	22.00	335.45	-	382.39
Balance as at March 31, 2021	21.15	25.96	248.27	-	295.38

5.1 With effect from April 01, 2021 the Group has changed its estimate with respect to useful life of Customer Relationships pertaining to V5 Global Services Private Limited from 3 years to 7 years prospectively, based on the expected benefits from the existing Customer relations. The change in estimate has decreased the charge of amortisation by ₹27.08 million for the year ended March 31, 2022.

5.2 The Group has not revalued its intangible assets as at the yearend and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

5.3 Intangible assets under development

Particulars	Amount
Balance as at April 01, 2020	-
Additions for the year	-
Capitalisation during the year	-
Balance as at March 31, 2021	-
Additions for the year	10.72
Capitalisation during the year	-
Balance as at March 31, 2022	10.72

(a) Intangible assets under development consists projects which are for periods less than one year.

(b) There are no projects as on reporting year where activity had been suspended. Also, there are no projects as on the reporting year which has exceeded cost as compared to its original plan or where completion is overdue.



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6 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good	-	0.20
Staff loans		
Loans and advances	1.00	-
Total	1.00	0.20

7 Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deposit for premises		
-unsecured, considered good	57.12	51.22
-unsecured, considered doubtful	20.58	18.21
Less: Provision for doubtful deposits	(20.58)	(18.21)
	57.12	51.22
Right towards reimburseable gratuity and compensated absence	786.58	558.69
Total	843.70	609.91
Current		
Advance to employees		
-unsecured, considered good	16.58	20.51
-unsecured, considered doubtful	2.33	2.33
Less: Provision for doubtful advance	(2.33)	(2.33)
	16.58	20.51
Deposits for premises (unsecured, considered good)	27.37	19.98
Accrued interest on fixed deposits	6.71	12.33
Unbilled revenue	1,606.83	1,193.05
Other receivable (unsecured, considered good)	32.92	10.00
Total	1,690.41	1,255.87

7.1 During the reporting year, there were no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013) either severally or jointly with any other person by the Group.

7.2 During the reporting year, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (intermediaries) for the purpose of lending, investing or providing guarantee or security.



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8 Deferred tax

8.1 Closing deferred tax balances:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax asset (net)	123.95	72.22
Deferred tax liability (net)	(120.77)	(181.42)
Deferred tax asset/ (liability) (net)	3.18	(109.20)



8.2 Movement in deferred tax balances

Particulars	For the year ended March 31, 2022				
	Opening balance	Addition through business combination	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax assets/(liabilities) in relation to:					
Provision for employee benefits (net of reimbursable rights)	75.08	1.64	9.67	(2.82)	83.57
Property, plant and equipment	(188.11)	0.71	(3.79)	-	(191.19)
Lease liabilities and right-to-use assets	1.79	0.87	0.39	-	3.05
Provision for doubtful debts	22.63	1.35	2.18	-	26.16
Unabsorbed losses	1.28	-	(1.28)	-	-
Impact of deduction of section 80JJAA of Income Tax Act, 1961	35.24	-	128.86	-	164.10
Customer relationship	(59.53)	(75.74)	52.51	-	(82.76)
Others	2.42	-	(2.17)	-	0.25
Net deferred tax asset/(liabilities) (net)	(109.20)	(71.17)	186.37	(2.82)	3.18

8.3 Movement in deferred tax balances

Particulars	For the year ended March 31, 2021				
	Opening balance	Addition through business combination (refer note 40)	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax assets/(liabilities) in relation to:					
Provision for employee benefits (net of reimbursable rights)	79.93	2.32	(5.44)	(1.73)	75.08
Property, plant and equipment	(93.71)	0.35	(94.75)	-	(188.11)
Lease liabilities and right-to-use assets	2.19	(0.15)	(0.25)	-	1.79
Provision for doubtful debts	15.80	2.20	4.63	-	22.63
Unabsorbed losses	-	-	1.28	-	1.28
Impact of deduction of section 80JJAA of Income Tax Act, 1961	25.17	-	10.07	-	35.24
Customer relationship	(129.43)	(5.70)	75.60	-	(59.53)
Others	0.10	-	2.32	-	2.42
Net deferred tax asset/(liabilities) (net)	(99.95)	(0.98)	(6.54)	(2.82)	(109.20)

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9 Other assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances (Unsecured, considered good)	2.57	0.82
Total	2.57	0.82
Current		
Prepaid expenses (unsecured, considered good)	85.28	46.39
Balances with government authorities	7.88	0.48
Advance to suppliers		
- unsecured, considered good	9.11	3.97
- unsecured, considered doubtful	0.98	1.58
Less: Provision for doubtful advance	(0.98)	(1.58)
	9.11	3.97
Other receivables*		
- unsecured, considered good	32.10	11.29
- unsecured, considered doubtful	2.70	2.70
Less: Provision for doubtful assets	(2.70)	(2.70)
	32.10	11.29
Total	134.37	62.13

*The Company filed its Draft Red Herring Prospectus with Securities and Exchange Board of India (SEBI) on May 11, 2022 for a proposed Initial Public Offering (IPO) of its equity shares. Rs. 23.51 million includes recoverable from selling shareholders to the extent of their share of expense and balance to be written off against the retained earning / securities premium account at the time of issue of shares in accordance with the Companies Act, 2013.

10 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	2,255.04	1,330.90
Unsecured, credit impaired	79.77	67.18
Less: Allowance for doubtful debts (expected credit loss allowances)	(79.77)	(67.18)
Total	2,255.04	1,330.90

- 10.1** There are no dues from directors or other officers of the Company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member.
- 10.2** The average credit period is upto 60 days. No Interest is charged on trade receivables.
- 10.3** Trade receivables of Innovsource Services Private Limited, V5 Global Services Private Limited, Affluent Global Services Private Limited and CBSI India Private Limited have been assigned (pari-passu) to Standard Chartered Bank against the borrowing taken by the group entities. (refer note 15 for details on borrowings)
- 10.4** For the year ended March 31, 2022, trade receivables of Innovsource Services Private Limited have been assigned (pari-passu) to ICICI Bank against the borrowings taken by Innovsource Services Private Limited. (refer note 15 for details on borrowings).
- 10.5 Movement of allowance for doubtful debts (expected credit loss allowances)**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	67.18	52.22
Addition on account of business combination	5.32	8.67
Allowance for doubtful debts (expected credit loss allowances)	7.27	6.29
Balance at the end of the year	79.77	67.18



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10.6 Ageing of trade receivables

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
Undisputed:						
Considered good	2,241.01	14.03	-	-	-	2,255.04
Credit impaired	25.60	16.75	16.36	13.56	7.50	79.77
Disputed:						
Considered Good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross carrying amount	2,266.61	30.78	16.36	13.56	7.50	2,334.81

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2021						
Undisputed:						
Considered good	1,323.01	7.40	0.49	-	-	1,330.90
Credit impaired	5.89	3.43	15.01	39.31	3.54	67.18
Disputed:						
Considered Good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross carrying amount	1,328.90	10.83	15.50	39.31	3.54	1,398.08

For the purposes of presentation of the ageing schedule, the invoice date has been considered as the due date by the Group. Accordingly, there are no "not due" invoices as at the year end.

10.7 Particulars of foreign currency receivable as at the yearend

Particulars	Amount in USD	₹ in million	Amount in Euro	₹ in million	Amount in GBP	₹ in million
Balance as at March 31, 2022	35,518	2.68	93,218	7.84	22,567	2.25
Balance as at March 31, 2021	4,142	0.58	-	-	-	-



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11 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In current account	1,636.44	104.48
- In deposit accounts - original maturity of three months or less	864.30	386.75
Total	2,500.74	491.23

11.1 There are no repatriation restrictions with regards to cash and cash equivalents as at the year end.

12 Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than three months and less than 12 months	311.06	668.54
Total	311.06	668.54

13 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
12,50,00,000 (March 31, 2021: 9,02,93,460) equity shares of ₹ 10/- each	1,250.00	902.94
Issued, subscribed and fully paid-up share capital		
7,26,92,170 (March 31, 2021: 7,22,19,134) equity Shares of ₹ 10/- each fully paid-up	726.92	722.19
Total	726.92	722.19

13.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	Numbers	Amount
Balance as at April 01, 2020	72,219,134	722.19
Add:- additional shares Issued during the year	-	-
Balance as at March 31, 2021	72,219,134	722.19
Add:- additional shares Issued during the period	-	-
Balance as at December 31, 2021	72,219,134	722.19
Add:- additional shares Issued during the year	473,036	4.73
Balance as at March 31, 2022	72,692,170	726.92

13.2 Terms right attached to the equity shares

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

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

Particulars	As at March 31, 2022	
	Number of shares held	% holding of equity shares
Fully paid equity shares		
Manpower Solutions Limited (Holding Company)	64,276,359	88.42%
New Lane Trading LLP	4,548,532	6.26%
Seedthree Trading LLP	3,867,279	5.32%

Particulars	As at March 31, 2021	
	Number of shares held	% holding of equity shares
Fully paid equity shares		
Manpower Solutions Limited (Holding Company)	64,276,359	89.00%
New Lane Trading LLP	4,548,532	6.30%

13.4 Shareholding of promoters

Shares held by promoters as at March 31, 2022

Promoter name	No. of Shares	% of total shares	% change during the year ended March 31, 2022
Manpower Solutions Limited (Holding Company)	64,276,359	88.42%	(0.58%)

Shares held by promoters as at March 31, 2021

Promoter name	No. of Shares	% of total shares	% change during the year ended March 31, 2021
Manpower Solutions Limited (Holding Company)	64,276,359	89.00%	0.00%



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14 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and Surplus		
Securities premium reserve	2,511.77	2,464.36
Retained earnings	(568.36)	(916.26)
Share option outstanding account	115.23	15.68
Share Application money pending allotment	1,199.26	-
Total	3,257.90	1,563.78

14.1 Securities premium reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2,464.36	2,464.36
Shares issued during the year	50.79	-
Less: Share issue expenses	(3.38)	-
Balance at end of the year	2,511.77	2,464.36

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

The Company has allotted 4,73,036 equity shares to Seedthree Trading LLP as a consideration for acquisition of 690 equity shares of Affluent Global Services Private Limited on February 16, 2022 at a face value of ₹ 10 per share and issue price per equity share of ₹ 117.38.

14.2 Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	(916.26)	(585.27)
Profit/(loss) attributable to owners of the Group	340.92	(336.56)
Gain on remeasurements of the defined benefit plans (net of taxes)	6.98	5.57
Balance at end of the year	(568.36)	(916.26)

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

14.3 Share Application money pending allotment

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Share Application money received during the year	1,199.26	-
Balance at end of the year	1,199.26	-

The Parent Company has raised funds via rights issue amounting to ₹ 1,200.00 million by offering 43,61,574 shares at a share price of ₹ 275.13 per share, (including a share premium of ₹ 265.13 per share). The money received as at the yearend has been classified as share application money received since there has not been any oversubscription with respect to the right issue of shares and hence has been classified under other equity.

14.4 Share option outstanding account

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	15.68	5.49
Employee stock option amortisation (net of forfeiture)	99.55	10.19
Balance at end of the year	115.23	15.68

The reserve related to share options granted by Parent Company to its and its subsidiaries employees share option plan. Further information about employee stock option amortisation (net of forfeiture) to employees is set out in note 36.

14.5 The Group is compliant with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017).



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FirstMeridian Business Services Limited
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14 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and Surplus		
Securities premium reserve	2,511.77	2,464.36
Retained earnings	(568.36)	(916.26)
Share option outstanding account	115.23	15.68
Share Application money pending allotment	1,199.26	-
Total	3,257.90	1,563.78

14.1 Securities premium reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2,464.36	2,464.36
Shares issued during the year	50.79	-
Less: Share issue expenses	(3.38)	-
Balance at end of the year	2,511.77	2,464.36

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

The Company has allotted 4,73,036 equity shares to Seedthree Trading LLP as a consideration for acquisition of 690 equity shares of Affluent Global Services Private Limited on February 16, 2022 at a face value of ₹ 10 per share and issue price per equity share of ₹ 117.38.

14.2 Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	(916.26)	(585.27)
Profit/(loss) attributable to owners of the Group	340.92	(336.56)
Gain on remeasurements of the defined benefit plans (net of taxes)	6.98	5.57
Balance at end of the year	(568.36)	(916.26)

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

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Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Share Application money received during the year	1,199.26	-
Balance at end of the year	1,199.26	-

The Parent Company has raised funds via rights issue amounting to ₹ 1,200.00 million by offering 43,61,574 shares at a share price of ₹ 275.13 per share, (including a share premium of ₹ 265.13 per share). The money received as at the yearend has been classified as share application money received since there has not been any oversubscription with respect to the right issue of shares and hence has been classified under other equity.

14.4 Share option outstanding account

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	15.68	5.49
Employee stock option amortisation (net of forfeiture)	99.55	10.19
Balance at end of the year	115.23	15.68

The reserve related to share options granted by Parent Company to its and its subsidiaries employees share option plan. Further information about employee stock option amortisation (net of forfeiture) to employees is set out in note 36.

14.5 The Group is compliant with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017).



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15 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current:		
Secured		
Vehicle loans (refer note 15.1)	-	4.35
Less: Current maturities of long term loans	-	(3.09)
Total	-	1.26
Current:		
Secured		
Loan repayable on demand from bank (refer note 15.2 and note 15.3)	602.74	72.85
Current maturities of long term loan (refer note 15.1)	-	3.09
Total	602.74	75.94

15.1 Terms of borrowings

(i) Vehicle Loan of ₹ Nil (as at March 31, 2021: ₹ 0.24 million) is from ICICI Bank carrying an interest rate of 9.10% The loan is repayable in 60 monthly instalments along with interest, from the date of loan i.e. February 15, 2017. The end date of the loan is January 15, 2022 and the loan is secured way of hypothecation of the respective vehicle.

(ii) Vehicle Loan of ₹ Nil (as at March 31, 2021: ₹ 3.76 million) is from Kotak Mahindra Prime carrying an interest rate of 7.87% The loan is repayable in 60 monthly instalments along with interest, from the date of loan i.e. October 26, 2017. The end date of the loan is October 1, 2022 and the loan is secured way of hypothecation of the respective vehicle.

(iii) Vehicle Loan of ₹ Nil (as at March 31, 2021: ₹ 0.35 million) is from Toyota Financial Services (I) Limited carrying an interest rate of 8.85% The loan is repayable in 60 monthly instalments along with interest, from the date of loan i.e. April 25, 2017. The end date of the loan is April 20, 2022 and the loan is secured way of hypothecation of the respective vehicle.

15.2 The Group has taken overdraft facilities.

These facilities are repayable on demand and are secured primarily by way of first charge on the book debts of Innovsource Services Private Limited ₹909.91 million (as on March 31, 2021: ₹586.41 million) (pari passu charge) and also on the current assets of the co-borrower a) V5 Global Services Private Limited ₹ 788.86 million (as on March 31, 2021: ₹ 582.24 million) b) Affluent Global Services Private Limited ₹ 182.73 million (as on March 31, 2021: ₹109.91 million) and c) CBSI India Private Limited ₹ 215.65 million (refer note 10 for details of trade receivables). The facility is bearing an interest rate of 6.95% p.a. (as at March 31, 2021: 6.80%p.a)

15.3 Innovsource Services Private Limited, a wholly-owned subsidiary of FirstMeridian Business Services Limited has obtained an overdraft facility from ICICI bank. The facilities are repayable on demand and are secured by way of pari passu charge on the current assets and moveable plant and machinery of Innovsource Services Private Limited. This facility is bearing an interest rate of 7.75%p.a.

15.4 The Group has not received any fund from any person or entity, including foreign for the purpose of lending, investing or providing guarantee or security.

15.5 During the year, the Group was not required to file any charge or satisfaction of charge to Registrar of Companies.

15.6 The Group has not been declared as a wilful defaulter by the banks and has been regular in satisfying its dues, outstanding to banks.

15.7 The Group doesn't have any unsecured borrowings as at the end of the year.

15.8 In relation to the specific purposes term loans and borrowings as disclosed under Non-current borrowings, the Group has used the funds for the purposes for which they were taken.

15.9 The Group is not required to submit quarterly statements to the banks based on the books of accounts.



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16 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Non-controlling interests put option liability (refer note 16.1, 16.2 and 16.3)	-	122.78
Deferred consideration (refer note 16.4)	53.83	-
	53.83	122.78
Current		
Accrued compensation to employees	2,285.55	1,639.53
Security deposits payable	2.16	2.83
Interest accrued but not due	-	0.43
Contingent consideration	41.72	38.81
Deferred consideration (refer note 16.5)	247.64	-
Others	107.07	78.84
Total	2,684.14	1,760.44

16.1 This represents non-controlling interests put option pertaining to Affluent Global Services Private Limited.

16.2 As per the advance agreement dated October 31, 2020, the Group has made a payment of ₹ 17.5 million during the financial year ended March 31, 2021 to one of the shareholder of one of the subsidiary (Affluent Global Services Private Limited), which has been adjusted against the put liability option with respect to acquisition of remaining shares of the said subsidiary at a future date as per the respective shareholder's agreement.

16.3 During the year ended March 31, 2022, as per the settlement agreement dated November 14, 2021, 4.76% of the shares of Affluent Global Services Private Limited were transferred from the existing shareholders to the FirstMeridian Business Services Limited (Parent company). Further, the Parent company is committed to acquire the remaining shares in Affluent at a future date as per the respective shareholder's agreement.

16.4 This represents deferred consideration pertaining to Rlabs Enterprise Services Limited with respect to 25% of the liability to be discharged in the future.

16.5 The Group acquired 75% equity of Rlabs Enterprise Services Limited, pursuant to a share purchase agreement dated February 02, 2022 at a cash consideration of ₹ 452.23 million and deferred consideration of ₹ 247.64 million.

17 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non current:		
Provision for gratuity (refer note 32)	556.36	413.62
	556.36	413.62
Current		
Provision for compensated absence	316.88	216.39
	316.88	216.39

18 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
-Total outstanding dues of micro and small enterprises	21.79	12.04
-Total outstanding dues of creditors other than micro and small enterprises	328.74	172.11
Total	350.53	184.15

18.1 The average credit period of trade payables is 30-45 days. No interest is charged by vendors if paid within the credit period.



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18.2 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	20.78	11.19
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.35	0.28
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	0.66	0.57

18.3 Ageing of trade payables

Particulars	Unbilled dues	Less than 1 year	1 - 2 year	2-3 years	More than 3 years
As at March 31, 2022					
Disputed:					
Micro, Small and Medium Enterprises	-	-	-	-	-
Others	-	-	-	-	-
Others:					
Micro, Small and Medium Enterprises	-	20.82	0.97	-	-
Others	212.53	106.92	3.29	5.58	0.42

Particulars	Unbilled dues	Less than 1 year	1 - 2 year	2-3 years	More than 3 years
As at March 31, 2021					
Disputed:					
Micro, Small and Medium Enterprises	-	-	-	-	-
Others	-	-	-	-	-
Others:					
Micro, Small and Medium Enterprises	-	11.76	0.28	-	-
Others	111.18	41.91	10.44	8.07	0.51

For the purposes of presentation of the ageing schedule, the invoice date has been considered as the due date by the Group.

19 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Contractor's liabilities	1,017.02	730.04
Contract liability (advance from customers)	25.11	24.52
Others	2.68	3.14
Total	1,044.81	757.70



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FirstMeridian Business Services Limited
(formerly known as FirstMeridian Business Services Private Limited)
Notes to the Consolidated Financial Statements for the year ended March 31, 2022
All amounts are ₹ in million unless otherwise stated

20 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services	28,599.25	21,102.86
Sale of products	21.98	-
Total	28,621.23	21,102.86

20.1 Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted price with the customers	28,621.81	21,095.98
Add / (Less): Discounts, rebates, refunds, credits, price concessions	(0.58)	6.88
Revenue from contracts with customers (as per consolidated statement of profit and loss)	28,621.23	21,102.86

21 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on:		
- Bank deposits (at amortised cost)	40.87	47.12
- Staff loan	-	0.02
- Security deposits (at amortised cost)	2.75	2.58
- Income tax refund	10.19	51.95
Gain on account of early termination of leases	1.01	2.20
Gain on disposal of property, plant and equipment	1.57	-
Provision no longer required	7.70	12.26
Net gain arising on fair valuation/settlement of put liability	-	12.84
Net gain arising on foreign exchange	8.10	-
Miscellaneous income	0.34	9.93
Total	72.53	138.90

22 Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	24,629.44	18,408.59
Contribution to provident and other funds (refer note 32)	2,188.46	1,636.07
Gratuity (refer note 32)	14.36	13.23
Staff welfare expenses	116.84	44.80
Employee stock option amortisation (net of forfeiture) (refer note 36)	99.55	10.19
Total	27,048.65	20,112.88

23 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	16.11	9.39
Interest on lease liability (refer note 29)	21.39	15.27
Others	4.84	4.46
Total	42.34	29.12



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24 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	47.12	39.60
Depreciation of right-of-use assets (refer note 29)	99.44	81.11
Amortisation of intangible assets	229.02	644.78
Total	375.58	765.49

25 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditor's remuneration (refer note 25.1)	12.24	9.34
Communication expenses	28.17	24.83
Power and fuel	20.11	16.23
Rent (refer note 29)	36.23	37.73
Repairs and maintenance	31.63	25.52
Insurance	7.00	3.47
Discount allowed	6.29	-
Rates and taxes	0.63	6.69
Provision for allowance for doubtful trade and other receivables	11.75	12.98
Bad debts and other receivables written off	0.91	0.43
Professional and consultancy fees	411.29	260.70
Recruitment and training expenses	23.35	15.79
Loss on disposal of property, plant and equipment	-	3.17
Printing and stationary	13.91	11.48
Subcontracting charges	231.63	133.54
Travelling and conveyance	33.71	14.99
Net loss arising on foreign exchange	-	0.05
Expense towards corporate social responsibility (CSR) (refer note 25.2)	6.19	10.45
Consumables	12.61	6.07
Loss on fair valuation/settlement of put option liability	38.17	-
Miscellaneous expenses	52.08	36.95
Total	977.90	630.41

25.1 Payments to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) For statutory audit	8.50	5.40
b) For tax audit	1.07	0.92
c) For other services	2.67	3.02
Total	12.24	9.34

25.2 Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the Group during the year	6.19	5.69
Amount of expenditure incurred	6.13	10.03
Shortfall/(excess paid) as at the end of the year	0.06	(4.34)
Total of previous years shortfall/(excess paid) at the beginning of the year (refer note 25.3)	3.09	7.43
Reason for shortfall	Refer note 25.3 below	NA
Nature of CSR activities	Donation to Shanti Bhavan Educational Trust - Education	-Donation to Rotary Bangalore IT Corridor Charitable Trust for Container Classroom -Healthcare
Details of related party transactions	NA	NA
Provision in respect of CSR as at the end of the year	3.15	3.11

25.3 The amount of previous years shortfall pertained to one of the subsidiary of the Group which was created in excess of the required amount.



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26 Tax Expense

26.1 Income tax expense in the consolidated statement of profit or loss consists of

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expense/(reversal):		
In respect of the current year	73.68	34.52
In respect of the prior year	0.19	(0.64)
	73.87	33.88
Deferred tax (credit)/charge:		
In respect of the current year (refer note 8)	(186.37)	6.54
	(186.37)	6.54
Total income tax (credit)/expense recognised in the reporting year	(112.50)	40.42

26.2 Income tax expenses reconciliation

The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit/ (loss) before taxes is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax:		
Profit/(loss) before tax	228.42	(296.14)
Income tax rate (including surcharge)	25.17%	25.17%
Income tax expense calculated (including surcharge)	57.49	(74.54)
Deferred tax asset not recognised	25.34	0.69
Effects of expenses that are not deductible in determining taxable profits	15.34	11.05
Deferred tax reversal on goodwill	-	90.54
80JAA tax incentives	(213.34)	(61.00)
Net effect of deferred tax liability created for earlier years	0.60	74.54
Others	2.07	(0.86)
Income tax (credit) / expenses recognised in the consolidated statement of profit or loss	(112.50)	40.42

Note

During the year ended March 31, 2021, the Parent and its subsidiaries had 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 2019-20. Accordingly, the Parent and its subsidiaries have written off accumulated MAT credit of ₹ 39.73 million in the Consolidated Statement of Profit or Loss.

26.3 Income tax expense in the Consolidated Other Comprehensive Income consists of

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Arising on incomes/ (expenses) recognised in other comprehensive income		
Gain/(loss) on remeasurements of the defined benefit plans	(2.82)	(1.73)
Income tax expense recognised in other comprehensive income	(2.82)	(1.73)

26.4 Deferred Tax

The Group has not recognised deferred tax asset, of ₹ ₹33.49 million for the year ended March 31, 2022 (₹ 0.68 million for the year ended March 31, 2021), 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.

Details of the amount of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the balance sheet:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Business losses	113.77	116.04
Carry forward depreciation	2.04	7.42

The unrecognised tax credits with respect to business losses will expire between Assessment year 2027-2029

26.5 During the year ended March 31, 2022, the Group does not have any transaction that were not recorded in the books of accounts and were surrendered or disclosed in the income tax assessments under the Income Tax Act, 1961.



27 Earnings per equity 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, 2022	For the year ended March 31, 2021
Basic earnings per equity share has been computed as under:		
Profit/(loss) for the year attributable to the owners of the company (net of share issue expenses)	337.54	(336.56)
Weighted average number of equity shares outstanding during the year (in million)	72.28	72.22
Face value per share (₹)	10.00	10.00
Earnings per equity share (₹) - Basic	4.67	(4.66)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Diluted earnings per equity share has been computed as under:		
Profit/(loss) for the year attributable to the owners of the company (net of share issue expenses)	337.54	(336.56)
Weighted average number of equity shares as adjusted for the effects of all dilutive potential equity shares outstanding during the year (in million)	74.54	72.82
Face value per share (₹)	10.00	10.00
Earnings per equity share (₹) - Diluted	4.53	(4.66)

*The earnings for the year ended March 31, 2021 being a loss, the potential equity shares are not considered as dilutive and accordingly Diluted EPS is same as Basic EPS.

27.1 The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares used in the calculation of basic earnings per share	72.28	72.22
Shares deemed to be issued for no consideration in respect of: - employee share option	2.26	0.60
Weighted average number of equity shares used in the calculation of diluted earnings per share	74.54	72.82



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28 Contingent liabilities and Commitments

28.1 Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims not acknowledged as debts (refer note 28.2)	35.20	17.16
Income tax	7.23	-

28.2 Claims not acknowledged as debts principally relates to cases lodged by employees against the Group. It also includes cases lodged by employees against the erstwhile Holding Company relating to staffing business, which are now a contingent liability for the Group in lieu of the purchase of staffing business from the erstwhile Holding Company. The management believes, based on issues involved, that no material liabilities will accrue in respect of these cases and accordingly no cash outflow is expected and the management believes that based on the nature of cases, the claims are not expected to be material.

28.3 Provident fund

On February 28, 2019, the Hon'ble Supreme Court of India delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. The Group has been advised by the expert that there are various interpretative challenges on the application of the judgment retrospectively. The management do not expect any outflow of resources as there was no demand raised for the above matter as a part of audit performed by Regional Provident Fund Authority for the subsidiary of the Group.

28.4 Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	7.23	1.08

29 Leases

29.1 The effect of depreciation and interest related to right-of-use asset and lease liability are reflected in the Consolidated Statement of Profit and Loss under the heading "depreciation and amortisation expenses" and "finance costs" respectively under note no 24 and 23 respectively.

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

a. Leases entered upto March 31, 2020	10% p.a.
b. Lease taken after March 31, 2020	7.5% p.a.

29.3 Following are the changes in the carrying value of right-of-use assets for the yearended:

Particulars	Category of right-of-use assets		Total
	Office Space	Furniture and fittings	
Balance as at April 01, 2020	140.62	0.40	141.02
Additions for the year	190.32	-	190.32
Depreciation for the year	(80.92)	(0.19)	(81.11)
Deletions for the year	(23.18)	-	(23.18)
Balance as at March 31, 2021	226.84	0.21	227.05
Acquired through business combination (refer note 38)	13.45	0.00	13.45
Additions for the year	167.70	0.00	167.70
Depreciation for the year	(99.35)	(0.09)	(99.44)
Deletions for the year	(11.32)	(0.12)	(11.44)
Balance as at March 31, 2022	297.32	0.00	297.32

29.4 The Group has not revalued its right-of-use assets during the yearend and therefore Schedule III disclosure requirements with respect to fair value details are not applicable.

29.5 The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	105.08	70.94
Non-current lease liabilities	208.53	164.14
Total	313.61	235.08

29.6 The following is the movement in lease liabilities:

Particulars	Amount
Balance as at April 01, 2020	150.85
Additions for the year	184.18
Deletions for the year	(25.39)
Finance cost accrued during the year	15.27
Payment of lease liabilities during the year	(89.83)
Balance as at March 31, 2021	235.08
Acquired through business combination (refer note 38)	15.48
Additions for the year	163.88
Deletions for the year	(12.13)
Finance cost accrued during the year	21.39
Payment of lease liabilities during the year	(109.09)
Balance as at March 31, 2022	315.61

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

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	126.37	86.10
Later than 1 year and not later than 5 years	221.06	181.96
Later than 5 years	7.95	2.62
Total	355.38	270.68

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

29.8 Amounts recognised in Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense on right-of-use assets	99.44	81.11
Interest expense on lease liabilities	21.39	15.27
Expense relating to short term leases	36.23	37.73
Gain on account of early termination of leases	1.01	2.20

29.9 Total cashflow's disclosure :

The total cash outflow for leases is ₹ 145.31 million (₹ 127.56 million for the year ended March 31, 2021) (includes cash outflow from short term and long term leases).



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30 Related parties transactions

30.1 Names of the related parties and related party relationships

Particulars	Relationship
Manpower Solutions Limited (Mauritius)	Ultimate Holding Company
Innovsource Services Private Limited (ISER)	Subsidiary
Innovsource Facilities Private Limited (IFAC)	Subsidiary
V5 Global Services Private Limited (V5)	Subsidiary
Affluent Global Services Private Limited (AGS)	Subsidiary
CBSI India Private Limited (CBSI) (w.e.f. September 29, 2020)	Subsidiary
R Labs Enterprise Services Limited (w.e.f. Feb 02, 2022)	Subsidiary company
Profitum Management Consulting LLP	Enterprise controlled by the relative of Key Managerial Personnel of V5
Key Management Personnel	
Sudhakar Balakrishnan	Director
Ankur Vidyasagar Gulati	Non-executive director
Manish Mehta	Non-executive director
Niladri Mukhopadhyay (till March 31, 2021)	Non-executive director
Nilay Pratik	Non-executive director
Jiten Umesh Poojara	Non-executive director
Somwrita Biswas (till February 09, 2022)	Non-executive director
Satya Prasan Rajguru	Director of subsidiary
Shailesh Narayanrao Ardhapurkar	Whole-time Director of subsidiary
Satish Srinivasan	Group Chief Financial Officer
Amltabh Sagar	Group Chief Human Resources Officer
Anurag Gupta	President - IT Staffing
Manmeet Singh	Deputy CEO - V5
Anand C	CEO - General Staffing & Allied Services
Vamshidhar G (w.e.f. December 20, 2021)	Head M&A
Amit Chitale (w.e.f June 01, 2020)	Chief Financial Officer of ISER
Tejas Sanghvi (till May 31, 2020)	Chief Financial Officer of ISER
Sanjay Gupta	Chief Financial Officer of V5
Monali Pramod Joshi	Group Company Secretary
Ira Dash Rajguru	Relative of Key Managerial Personnel of subsidiary
Archana Shailesh Ardhapur	Relative of Key Managerial Personnel of subsidiary



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30 Related parties transactions (cont'd)

30.2 Details of related party transactions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manpower Solutions Limited (Mauritius)		
Remuneration to Key Managerial Personnel (Including subsidiaries) *	138.53	57.84
Remuneration to relative of Key Managerial Personnel	-	7.86
Reimbursement of expenses to Key Managerial Personnel	-	0.86
Professional and consultancy fees paid to Key Managerial Personnel	8.00	6.25
Professional and consultancy fees paid to relative of Key Managerial Personnel	-	1.36
Share application money pending allotment from KMP	78.25	-
Sale of building		
Profitum Management Consulting LLP (Partner-Ira Rajguru, wife of Satya Prasan Rajguru)	-	11.00

30.3 Details of related party closing balances

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accrued compensation to Key Managerial Personnel	11.31	-
Accrued reimbursement of Key Managerial Personnel expenses of subsidiaries	0.15	0.15
Trade payable to Key Managerial Personnel of subsidiaries	0.76	0.55
Share Application money pending allotment		
Manpower Solutions Limited (Mauritius)	840.02	-
KMP	78.25	-

30.4 Compensation of Key Managerial Personnel

The remuneration of Key Managerial Personnel during the year was as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	66.94	50.37
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	71.59	7.47
Total	138.53	57.84
Sitting fee paid to directors	-	-

***Notes:**

- The above Managerial remuneration excludes value of gratuity and compensated absences since the same is ascertained on aggregated basis for the Group as a whole by the way of actuarial valuation and separate values attributable to Key Managerial Person are not
- Total employee stock compensation expense for the year ended March 31, 2022 and year ended March 31, 2021 includes a charge of ₹ 71.59 million and ₹ 7.47 million towards key managerial personnel.



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31 Segment information

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, operating segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by service offerings. Accordingly, segment information has been presented for service offerings.

During the year, the Company has identified General Staffing and Allied Services, Global Technology Solutions and 'Other HR Service' as separate business segment. It is based on increased focus and business review carried out by the Chief Operating Decision Maker (CODM) of the Company.

31.1 The operating segment comprises of the following:

a) General Staffing and Allied Services

Comprises of staffing solutions, workforce automation solutions and trade marketing solutions.

b) Global Technology Solutions

Comprises of contract staffing solutions for niche mid to senior level positions across global captive centers, product-based companies and other technology companies and Contract staffing solutions for entry to mid-level roles across technology companies.

c) Other HR Services

Comprises of permanent recruitment, recruitment process outsourcing, pharmaceutical and healthcare staffing and facility management.

31.2 Segment revenues and profits

The following is an analysis of the Group's revenue and results by reportable segment for the year ended March 31, 2022:

	General Staffing and Allied services	Global Technology Solutions	Other HR Services	Unallocated	Total
Revenue:					
External revenue	25,840.77	2,385.64	394.82	-	28,621.23
Total segment revenue	25,840.77	2,385.64	394.82	-	28,621.23
Segment results	228.27	191.53	12.07	(161.11)	270.76
Finance costs	-	-	-	42.34	42.34
Profit/(Loss) before tax	228.27	191.53	12.07	(203.45)	228.42
Income tax	-	-	-	(112.50)	(112.50)
Profit/(Loss) after tax	228.27	191.53	12.07	(90.95)	340.92
Segment assets	4,340.32	1,677.87	491.97	3,518.32	10,028.49
Segment liabilities	4,197.85	699.51	118.16	1,028.14	6,043.67
Capital employed (Segment assets- Segment liabilities)	142.47	978.36	373.81	2,490.18	3,984.82

The following is an analysis of the Group's revenue and results by reportable segment for the year ended March 31, 2021:

	General Staffing and Allied services	Global Technology Solutions	Other HR Services	Unallocated	Total
Revenue:					
External revenue	19,691.85	1,041.60	360.42	8.99	21,102.86
Total segment revenue	19,691.85	1,041.60	360.42	8.99	21,102.86
Segment results	(185.47)	(71.26)	(27.55)	17.26	(267.02)
Finance costs	-	-	-	29.12	29.12
Profit/(Loss) before tax	(185.47)	(71.26)	(27.55)	(11.86)	(296.14)
Income tax	-	-	-	40.42	40.42
Profit/(Loss) after tax	(185.47)	(71.26)	(27.55)	(52.28)	(336.56)
Other information					
Segment assets	3,355.73	770.41	125.07	1,983.54	6,234.75
Segment liabilities	3,133.43	237.50	139.67	438.18	3,948.78
Capital employed (Segment assets- Segment liabilities)	222.30	532.91	(14.60)	1,545.36	2,285.97



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31 Segment information (cont'd)

31.3 Other segment information

	Depreciation and amortisation	
	For the year ended March 31, 2022	For the year ended March 31, 2021
General Staffing and Allied services	200.72	477.73
Global Technology Solutions	159.39	261.26
Other HR Services	10.94	20.22
Unallocated	4.53	6.28
Total	375.58	765.49

	Additions to non-current assets*	
	For the year ended March 31, 2022	For the year ended March 31, 2021
General Staffing and Allied services	202.43	235.27
Global Technology Solutions	27.37	12.58
Other HR Services	5.47	4.35
Unallocated	201.11	0.11
Total	436.38	252.31

*The amounts exclude additions to financial instruments, deferred tax assets and net defined benefit assets.

Of the total additions to non-current assets, ₹ 46.59 million in the financial year ended March 31, 2022 (₹ 47.67 million during the year ended March 31, 2021) has been acquired on account of business combination.

31.4 Revenues from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the year ended March 31, 2022	For the year ended March 31, 2021
General Staffing and Allied services	25,840.77	19,691.85
Global Technology Solutions	2,385.64	1,041.60
Other HR Services	394.82	360.42
Unallocated	-	8.99
Total	28,621.23	21,102.86

31.5 Geographical Information

Revenue from operations

	For the year ended March 31, 2022	For the year ended March 31, 2021
India	28,381.36	21,102.28
Foreign	239.87	0.58
Total	28,621.23	21,102.86

There are no non-current asset located outside India.

31.6 Information about major customers

Included in revenues arising from General Staffing and Allied services of ₹ 5,686.52 million (year ended March 31, 2021: ₹ 2,155.61 million) which arose from sale of services to the Group's largest customer which accounts for 28.88% (year ended March 31, 2021: 10.21%) of the total revenue. No other customer contributed 10 percent or more to the Group's revenue in any of the reported years.



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32 Employee benefits

i) Defined Contribution Plan

The Group's contribution to provident fund and other funds is ₹ 1,939.84 million (during the year ended March 31, 2021 is ₹ 1,636.07 million) has been recognised in the Consolidated Statement of Profit and Loss under the head employee benefits expense.

ii) Defined Benefit Plans:

A. Gratuity

The Group has a defined benefit gratuity plan in India (funded). The group's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the financial year ended March 31, 2021, the Group has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from ₹1 million to ₹2 million, for those employees who are getting benefit as per Payment of Gratuity Act, 1972. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

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

(1) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of member. 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) Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(4) Longevity Risk:

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

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

Particulars	Valuation as at	
	As at March 31, 2022	As at March 31, 2021
(I). Financial assumptions		
Discount rate (p.a.)	3.93%-7.12%	3.82%- 6.92%
Salary escalation rate (p.a.)	4.71%-10.00%	2.62% - 10%
Rate of employee turnover (p.a.)	For service 5 years and below is 35% to 70% p.a. & for service of 5 years and above is 5%to 6% p.a	For service 5 years and below is 35% to 47% p.a. & for service of 5 years and above is 5%to 6% p.a
(II). Demographic assumptions		
Mortality rate	IALM 2012-14	IALM 2012-14

c. Amounts recognised in Consolidated Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Current service cost	109.27	89.58
Net interest expense	20.20	16.91
Components of defined benefit costs	129.47	106.49
Amount netted off in the Consolidated Statement of Profit and Loss towards gratuity and related reimbursement right for associate employees	(115.11)	(93.16)
Components of defined benefit costs after netting off reimbursement right for associate employees recognised in Consolidated Statement of Profit or Loss	14.36	13.23
Remeasurement on the net defined benefit liability		
Actuarial loss/(gains) arising form changes in financial assumptions	85.63	(36.46)
Actuarial (gains)/loss arising form changes in demographic assumptions	(10.84)	17.11
Actuarial loss arising form experience adjustments	10.20	42.96
Return on plan assets (excluding amount included in net interest expense)	(0.04)	(0.02)
Components of defined benefit costs before netting off reimbursement right for associate employees recognised in Consolidated Profit or Loss*	84.95	27.59
Amount netted off in the Other Comprehensive Income towards gratuity and related reimbursement right for associate	(94.75)	(30.89)
Components of defined benefit costs recognised in other comprehensive income	(9.80)	(7.30)

Notes:

- The Current service cost and the net interest expense for the year are included in the 'employee benefits expense' line item in the Consolidated Statement of Profit and Loss
- The remeasurement of the net defined benefits liability is included in Other Comprehensive Income for the yearend.
- Gratuity expense as per Note 22 includes an amount of ₹ 4.07 million on account of full and final settlement payable towards the employees resigned during the year ended March 31,

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

Particulars	As at March 31, 2022	As at March 31, 2021
Funded*:		
Present value of benefit obligation at the end of the year	15.69	13.34
Fair value of plan assets at the end of the year	(0.66)	(2.18)
Funded status -Surplus	15.03	11.16
Unfunded:		
Present value of benefit obligation at the end of the year	541.68	398.39
Fair value of plan assets at the end of the year	-	-
Unfunded status -Surplus	541.68	398.39

* excluding the liability towards the full and final settlement of ₹ 4.07 million which is computed on accrual basis.



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32 Employee benefits

i) Defined Contribution Plan

The Group's contribution to provident fund and other funds is ₹ 1,939.84 million (during the year ended March 31, 2021 is ₹ 1,636.07 million) has been recognised in the Consolidated Statement of Profit and Loss under the head employee benefits expense.

ii) Defined Benefit Plans:

A. Gratuity

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to a separately administered fund.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

During the financial year ended March 31, 2021, the Group has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from ₹1 million to ₹2 million, for those employees who are getting benefit as per Payment of Gratuity Act, 1972. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

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

(1) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of member. 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) Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(4) Longevity Risk:

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

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

Particulars	Valuation as at	
	As at March 31, 2022	As at March 31, 2021
(i). Financial assumptions		
Discount rate (p.a.)	3.93%-7.12%	3.82%- 6.92%
Salary escalation rate (p.a.)	4.71%-10.00%	2.62% - 10%
Rate of employee turnover (p.a.)	For service 5 years and below is 35% to 70% p.a. & for service of 5 years and above is 5%to 6% p.a	For service 5 years and below is 35% to 47% p.a. & for service of 5 years and above is 5%to 6% p.a
(ii). Demographic assumptions		
Mortality rate	IALM 2012-14	IALM 2012-14

c. Amounts recognised in Consolidated Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Current service cost	109.27	89.58
Net interest expense	20.20	16.81
Components of defined benefit costs	129.47	106.39
Amount netted off in the Consolidated Statement of Profit and Loss towards gratuity and related reimbursement right for associate employees	(115.11)	(93.16)
Components of defined benefit costs after netting off reimbursement right for associate employees recognised in Consolidated Statement of Profit or Loss	14.36	13.23
Remeasurement on the net defined benefit liability		
Actuarial loss/(gains) arising form changes in financial assumptions	85.63	(36.46)
Actuarial (gains)/loss arising form changes in demographic assumptions	(10.84)	17.11
Actuarial loss arising form experience adjustments	10.20	42.96
Return on plan assets (excluding amount included in net interest expense)	(0.04)	(0.02)
Components of defined benefit costs before netting off reimbursement right for associate employees recognised in Consolidated Profit or Loss'	84.95	23.59
Amount netted off in the Other Comprehensive Income towards gratuity and related reimbursement right for associate	(94.75)	(30.89)
Components of defined benefit costs recognised in other comprehensive income	(9.80)	(7.30)

Notes:

- i) The Current service cost and the net interest expense for the year are included in the 'employee benefits expense' line item in the Consolidated Statement of Profit and Loss
- ii) The remeasurement of the net defined benefits liability is included in Other Comprehensive Income for the yearend.
- iii) Gratuity expense as per Note 22 includes an amount of ₹ 4.07 million on account of full and final settlement payable towards the employees resigned during the year ended March 31,

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

Particulars	As at March 31, 2022	As at March 31, 2021
Funded*:		
Present value of benefit obligation at the end of the year	15.69	13.34
Fair value of plan assets at the end of the year	(0.66)	(2.18)
Funded status -Surplus	15.03	11.16
Unfunded:		
Present value of benefit obligation at the end of the year	541.68	398.39
Fair value of plan assets at the end of the year	-	-
Unfunded status -Surplus	541.68	398.39

* excluding the liability towards the full and final settlement of ₹ 4.07 million which is computed on accrual basis.



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33 Financial instruments

33.1 Financial instruments by category

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

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities measured at fair value through profit or loss (FVTPL)		
Non-Current		
Non-controlling interests put option (Level 2)	-	122.78
Financial assets measured at amortised cost		
Non-Current		
Other financial assets	843.70	609.91
Current		
Trade receivables	2,255.04	1,330.90
Cash and cash equivalents	2,500.74	491.23
Other bank balances	311.06	668.54
Loans	1.00	0.20
Other financial assets	1,690.41	1,255.87
Financial Liabilities measured at amortised cost		
Non-Current		
Borrowings	-	1.26
Lease liabilities	208.53	164.14
Deferred consideration	53.83	-
Current		
Borrowings	602.74	75.94
Trade payables	350.53	184.16
Lease liabilities	105.08	70.94
Deferred consideration	247.64	-
Contingent consideration	41.72	38.81
Other financial liabilities	2,394.78	1,721.63

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

33.2 Financial risk management objectives

The Group monitors and manages the financial risks to the operations of the Group. These risks includes credit risk, liquidity risk and market risk.

A. Credit risk

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

B. Liquidity risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash to meet obligations when due. The Group continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

Financing facilities

The Group has access to financing facilities as described below, of which ₹ 347.26 million were unused at the reporting date (March 31, 2021: ₹ 427.15 million). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. (refer note 15 for details on borrowings)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured bank overdraft facility		
Amount used	602.74	72.85
Amount unused	347.26	427.15
	950.00	500.00



33 Financial instruments (Cont.)

Maturities of financial liabilities

Table showing maturity profile of non-derivative financial liabilities:
 (Excludes maturity analyses of lease liabilities which has been disclosed in Note 29 of the consolidated financial statements)

Particulars	Upto One year	1-5 years	Total
As at March 31, 2022			
Borrowing	602.74	-	602.74
Trade payables	350.53	-	350.53
Other financial liabilities	2,684.14	60.00	2,744.14
As at March 31, 2021			
Borrowing	75.94	1.26	77.20
Trade payables	184.16	-	184.16
Other financial liabilities	1,760.44	-	1,760.44

The above table details the Group'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 Group can be required to pay. The contractual maturity is based on the earliest date on which the Group 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 Group is domiciled in India and has its significant revenues and other major transactions in its functional currency i.e. INR. Accordingly the Group is not exposed to currency risk. (refer note 10.7 for foreign currency receivables)

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 Group has borrowed funds at fixed rate of interest and so the Group is not exposed to any significant interest rate risk.



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34 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings disclosed in notes 15 and after deducting cash and bank balances disclosed in note 11) and equity of the Group (comprising issued capital, reserves and retained earnings as disclosed in notes 13 and 14).

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the year-end is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (A)	916.36	312.72
Cash and cash equivalents (B)	2,500.74	491.23
Net debt (C)=(A)-(B)	(1,584.38)	(178.51)
Equity (D)	3,984.82	2,285.97
Net debt to equity ratio (C)/(D)	(39.76%)	(7.81%)

Debt is defined as long-term and short-term borrowings and lease liabilities as detailed in notes 15 and 29. Equity includes share capital and other equity of the Group as detailed in notes 13 and 14 respectively.

35 Fair Value Measurement

35.1 Fair value of the financial liability that are measured at fair value on a recurring basis

Financial liabilities measured at Fair value	Fair value as at	
	March 31, 2022	March 31, 2021
Non-controlling interests put option	-	122.78
Deferred consideration	-	-

35.2 There were no transfers between Level 1 and 2 during the current year.

Financial liabilities measured at Fair value	Fair value hierarchy	Valuation technique(s) and key input(s)
Non-controlling interests put option	Level 2	Multiple of EBITDA
Consideration consideration	Level 3	Multiple of future PBT
Deferred consideration	Level 3	Multiple of future EBITDA

35.4 Reconciliation of Level 3 fair value	Deferred consideration
As at April 01, 2020	-
Additions during the year	36.74
Change recognised in profit or loss	2.07
As at March 31, 2021	38.81
Additions during the year	301.47
Change recognised in profit or loss	2.91
As at March 31, 2022	343.19



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36 Employee Stock Option Scheme (ESOS)

The Group vide meeting dated April 03, 2019 held by the Board of Governance and Remuneration Committee, has during the year ended March 31, 2022 granted 58,13,412 (March 31, 2021 granted 3,82,976) stock options under the scheme - FirstMeridian Business Services Limited - Employee Stock Option Scheme 2019 (ESOP 2019) to the eligible employees of the Company. The options allotted under the scheme are convertible into equal number of equity shares of the face value of ₹ 10 each.

Each option entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹ 10 each upon payment of the exercise price during the exercise period. The grant of options to the employees under the stock option schemes is on the basis of performance and other eligibility criteria. The options allotted under the scheme 2019 will generally vest between a minimum of one to a maximum of eight years from the grant date.

Options can be exercised anytime within a period of 1 year from the date of vesting and would be settled by way of issue of equity shares. Management has discretion to modify the exercise period.

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 March 31, 2022 and year ended March 31, 2021. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2022									
	No. of Options ESOP Tranche V - Plan A	No. of Options ESOP Tranche IV - Plan A	No. of Options ESOP Tranche III - Plan A	No. of Options ESOP Tranche III - Plan B	No. of Options ESOP Tranche III - Plan C	No. of Options ESOP Tranche III - Plan D	No. of Options ESOP Tranche III - Plan E	No. of Options ESOP Tranche I & II		
Options granted under ESOS										
Options outstanding at the beginning of the year	-	-	-	-	-	-	-	-	-	661,236
Options granted during the year	1,672,780	746,221	1,498,455	675,997	401,048	277,655	541,256	-	-	-
Options exercised during the year	-	-	-	-	-	-	-	-	-	-
Options expired during the year	-	-	-	-	-	-	-	-	-	-
Options forfeited during the year	-	-	-	-	-	-	-	-	-	27,722
Options outstanding at the end of the year	1,672,780	746,221	1,498,455	675,997	401,048	277,655	541,256	-	-	633,514
Options exercisable at the end of the year	-	-	-	-	-	-	-	-	-	314,177
Exercise price of outstanding options (₹)	260	110	20	40	55	60	10	-	-	10
Remaining contractual life of outstanding options (years)	1-8	1-7	1-7	1-7	1-7	1-7	1-5	-	-	1-3

Particulars	As at March 31, 2021	
	No. of Options	Weighted average exercise price (₹)
Options granted under ESOS		
Options outstanding at the beginning of the year	293,572	10.00
Options granted during the year	382,976	10.00
Options exercised during the year	-	-
Options expired during the year	-	-
Options forfeited during the year	15,312	10.00
Options outstanding at the end of the year	661,236	10.00
Options exercisable at the end of the year	-	-
Range of exercise price of outstanding options (₹)	-	-
Remaining contractual life of outstanding options (years)	-	1-3

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

Particulars	Employee Stock Option Scheme On this date of Grant									
	Tranche V		Tranche IV		Tranche III			Tranche II		Tranche I
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Expected life	3.70	4.97	2.76	3.38	3.97	4.2	2.52	7	7	7
Risk free interest rate (%)	6.77%	6.77%	4.85%	5.22%	5.29%	5.41%	5.00%	6.20%	6.20%	6.98%
Volatility (%)	39.79%	39.79%	43.44%	42.94%	41.82%	41.08%	43.82%	51.00%	51.00%	35.68%
Weighted average fair value	15.38	54.75	57.96	44.05	37.53	35.52	66.31	46.74	46.88	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.



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37 Change in accounting policy for defined benefit obligation accounting for associate employees

During the year, the Group has changed its accounting policy to present employee benefit expenses and income arising from its right to reimbursement related to defined benefit obligation for the associate employees from gross to net basis. Previously, the Group used to present the income and expense on a gross basis. Expenses were presented as a part of Employee benefits expense under the head 'Gratuity' and actuarial component as a part of "Other Comprehensive Income (OCI)" and income was presented as a part of Revenue from operation under the head 'Sale of services (Including recoverable actuarial component routed through OCI)'.

The Group has reimbursable right to receive cost of employee benefit expenses related to defined benefit obligation for the associate employees and based on this right, the Group believes that net accounting method is more appropriate and provides more relevant information about the effects of this transaction. The Group has applied this change to the previous reported year.

The above change in policy will result only in presentation change and not impact the overall profitability of the Group. Below is a summary of the impact of the change in policy.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations*	28,830.29	21,231.02
Adjustment:		
Impact of net accounting	(209.06)	(128.16)
Revenue from operation	28,621.23	21,102.86
Employee benefits expense*	27,162.96	20,210.16
Adjustment:		
Impact of net accounting	(114.31)	(97.28)
Employee benefits expense	27,048.65	20,112.88
Profit/(loss) after tax*	411.82	(313.45)
Adjustment:		
Impact of net accounting	(94.75)	(30.88)
Deferred tax on above adjustment	23.85	7.77
Profit/(loss) for the year	340.92	(336.55)
Other comprehensive income*	(63.92)	(17.54)
Adjustment:		
Impact of net accounting	94.75	30.88
Deferred tax on above adjustment	(23.85)	(7.77)
Other comprehensive income	6.98	5.57
Total comprehensive income*	347.90	(330.99)
Adjustment:		
Impact of net accounting	-	-
Deferred tax on above adjustment	-	-
Total comprehensive income/(loss) for the year	347.90	(330.99)

*Note:

(i) As per audited Consolidated Financial Statements for the financial year ended March 31, 2021.

Reconciliation between audited Total Equity and Total Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Total Equity (as per audited Consolidated Financial Statements)	3,984.82	2,285.97
Adjustments:	-	-
Total Equity as per Consolidated Balance Sheet	3,984.82	2,285.97



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38 Business combination

38.1 Subsidiaries acquired / businesses acquired

Name of acquiree	Principal activity	Place of incorporation and operation	Acquisition date	% of Beneficiary equity interest	% of voting equity interest	Consideration
CBSI India Private Limited (refer note 38.2) Rlabs Enterprises Services Pvt Ltd. (refer note 38.3)	IT enabled Services IT enabled Services	India India	September 29, 2020 February 02, 2022	100% 75%	100.00% 100.00%	107.50 452.23

38.2 The Group has during the year ended March 31, 2021, acquired 100% shareholding of CBSI India Private Limited (CBSI) at ₹ 117.5 million. However, as per the share purchase agreement, the consideration of ₹ 10.00 million was subject to continuation of one of the senior management of the CBSI till September 20, 2021. Since, the said executive had resigned on January 15, 2021, the purchase consideration has been adjusted accordingly.

38.3 During the year ended March 31, 2022, the Group had acquired 75% shares of Rlabs for a purchase consideration of ₹ 452.23 millions. The group has agreed to purchase the remaining 25% shares at a future date as per the shareholder's agreement.

38.4 Consideration transferred

Particulars	CBSI India Private Limited	Cornucopia (refer note 38.6)	Rlabs Enterprise Services Pvt Ltd. (refer note 38.3)
Cash	107.50	-	452.23
Deferred consideration arrangement	-	36.75	355.83

38.5 In respect of the cost of investment in Innovsource Services Private Limited and Innovsource Facilities Private Limited, contingent consideration amount of ₹ 33.00 million per sponsor for two sponsors is waived off as per waiver agreement dated October 18, 2020 with both sponsors.

38.6 V5 has entered into a Business Transfer Agreement (BTA) with H.R. Cornucopia Private Limited to transfer the Permanent recruitment business to V5 Global Private Limited along with people, processes and data base of this business. Purchase consideration will be based on Profit Before Tax (PBT) multiple of FY 22-23 as mentioned in EBTA.

38.7 Acquisition cost

Acquisition-related costs amounting to Nil (₹ 2.5 million for the year ended March 31, 2021) have been excluded from the consideration transferred and have been recognised as an expense in Consolidated Statement of Profit and Loss, within the 'Other expenses' line item.



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38 Business combination (cont'd)

38.8 Assets acquired and liabilities recognised at the date of acquisition

Particular	CBSI India Private Limited	Rlabs Enterprises Services Pvt Ltd.
Current assets		
Cash and cash equivalents	34.01	114.70
Trade and other receivables	45.07	99.60
Other financial assets	55.94	94.55
Other assets	2.29	16.99
	137.31	325.84
Non-current assets		
Property, plant and equipment	0.40	32.71
Right-of-use asset	-	13.45
Other intangibles	-	0.01
Deferred tax assets (net)	4.72	4.57
Financial assets	-	3.81
Non-current tax assets (net)	15.03	55.43
	20.15	109.98
Current liabilities		
Borrowings	-	1.35
Trade and other payables	56.83	94.43
Other current liabilities	9.13	59.17
Other financial liabilities	16.37	-
Lease liabilities	-	9.94
Provisions	4.38	3.01
	86.71	167.90
Non-current liabilities		
Borrowings	-	29.34
Lease liabilities	-	6.54
Provisions	4.82	9.35
	4.82	45.23
Net assets acquired	55.93	222.69
Revenue for the year ended	274.56	991.68
Expenses for the year ended	242.33	899.49
Profit before tax for the year ended	32.23	94.75
Profit after tax for the year ended	24.81	68.88

38.9 Goodwill arising on acquisition

Particular	CBSI India Private Limited	Cornucopia	Rlabs
Total purchase consideration paid (A)	107.50	-	452.23
Deferred consideration (B)	-	36.75	355.83
Net assets acquired (net of goodwill) (C)	65.93	2.50	222.69
Value attributable to client relationship (D)	22.64	15.74	301.05
DTL on client relationship (E)	5.70	-	75.77
Client relationship (net of taxes) (F)=(D)-(E)	16.94	15.74	225.28
Difference considered as goodwill (A)+(B)-(C)-(F)	24.63	18.51	360.08

38 Business combination (cont'd)

38.10 Goodwill on acquisition

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	678.77	635.64
Add: On acquisition of business during the year	360.08	43.14
Total	1,038.85	678.77

38.11 Net cash outflow on acquisition of business

Particulars	As at March 31, 2022	As at March 31, 2021
Consideration paid in cash	452.23	107.50
Less: Cash and cash equivalent balances acquired	114.70	(36.51)
Total	337.53	70.99



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39 Disclosure of Net Assets/(Liabilities) and share in profit/(Loss)

39.1 As on March 31, 2022

Name of the entity in the Group	Net Assets (Net of Elimination)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive profit/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company FirstMeridian Business Services Limited	48.16%	1,918.79	(135.19%)	(460.87)	(20.19%)	(1.41)	(132.89%)	(462.28)
Subsidiaries - Indian								
Innovsource Services Private Limited	10.41%	414.67	94.47%	322.03	(25.29%)	(1.77)	92.06%	320.26
Innovsource Facilities Private Limited	1.01%	40.44	(5.59%)	(19.05)	(1.72%)	(0.12)	(5.51%)	(19.17)
V5 Global Services Private Limited	19.88%	792.11	78.19%	266.53	111.11%	7.76	78.85%	274.29
Affluent Global Services Private Limited	11.56%	460.82	48.78%	166.28	38.25%	2.67	48.57%	168.95
CBSI India Private Limited	3.10%	123.64	15.96%	54.41	(3.59%)	(0.25)	15.57%	54.16
RLabs Enterprise Services Pvt. Ltd.	5.88%	234.35	3.39%	11.56	1.43%	0.10	3.35%	11.66
Total	100.00%	3,984.82	100.00%	340.89	100.00%	6.98	100.00%	347.87

39.2 As on March 31, 2021

Name of the entity in the Group	Net Assets (Net of Elimination)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive profit/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company FirstMeridian Business Services Limited	30.59%	698.86	212.55%	(715.35)	8.15%	0.45	215.99%	(714.90)
Subsidiaries - Indian								
Innovsource Services Private Limited	27.55%	629.84	(28.90%)	97.28	12.32%	0.69	(29.60%)	97.97
Innovsource Facilities Private Limited	0.92%	21.11	2.26%	(7.62)	29.83%	1.66	1.80%	(5.96)
V5 Global Services Private Limited	23.78%	543.69	(50.73%)	170.74	(11.02%)	(0.61)	(51.40%)	170.13
Affluent Global Services Private Limited	13.69%	313.05	(31.39%)	105.65	49.44%	2.75	(32.75%)	108.40
CBSI India Private Limited	3.47%	79.42	(3.29%)	12.74	11.28%	0.63	(4.04%)	13.37
Total	100.00%	2,285.97	100.00%	(336.56)	100.00%	5.57	100.00%	(330.99)

40 Ratio analysis and its elements

No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	% change from March 31, 2021 to March 31, 2022	Note
1	Current Ratio	1.35	1.35	0.37%	-
2	Debt-Equity Ratio	0.23	0.14	68.10%	a
3	Debt Service Coverage Ratio	0.87	1.43	(0.39)	b
4	Return on Equity Ratio	10.87%	(13.76%)	179.04%	NA
5	Inventory turnover ratio	NA	NA	NA	-
6	Trade receivables turnover ratio	15.96	14.81	7.80%	-
7	Trade payables turnover ratio	3.52	3.70	(4.87%)	-
8	Net capital turnover ratio	16.00	19.93	(0.20)	c
9	Net profit ratio	1.19%	(1.59%)	174.69%	-
10	Return on Capital employed	7.31%	(13.54%)	153.97%	b & c
11	Return on investment	NA	NA	NA	NA

40.1 Reasons for variance of more than 25%:

- The increase in debt-equity ratio is primarily on account of increase in borrowings (pertaining to overdraft facilities) and increase in lease liabilities owing to additional office spaces taken on lease. However, there has also been an increase in total equity on account of the Group raising funds via rights issue as at the year end and also increase in the share capital on account of share swap of remaining stake of Affluent Global Services Private Limited as per the share purchase agreement.
- The Group has reported profits in the current year as compared to losses in previous year which has led to an increase in the ratio. Further, the Group has also raised funds via rights issue as at the year end and also there has been an increase in the share capital on account of share swap of remaining stake of Affluent Global Services Private Limited as per the share purchase agreement.
- The Group has reported profits in the current year primarily on account of increase in business of Global Technology Solutions in the current year and reduction in amortisation of customer relationships recognised on account of acquisition of subsidiaries.



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40.2 Elements of the ratios

No.	Particulars	Numerator	Denominator	For the year ended March 31, 2022		For the year ended March 31, 2021	
				Numerator	Denominator	Numerator	Denominator
1	Current Ratio	Total current assets	Total current liabilities	5,892.62	5,104.18	4,124.37	3,065.56
2	Debt-Equity Ratio	Total debt: Non-current borrowings + current borrowings + non-current lease liabilities + current lease liabilities + Interest accrued	Shareholder's equity: Total equity	916.36	3,984.82	312.72	2,285.97
3	Debt Service Coverage Ratio	Earnings for Debt Services: Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of fixed assets etc.	Total debt: Non-current borrowings + current borrowings + non-current lease liabilities + current lease liabilities + Interest accrued	795.44	916.36	448.38	312.72
4	Return on Equity Ratio	Profit/(loss) for the year	Average shareholder's equity: (opening total equity + closing total equity)/2	340.92	3,135.39	(336.56)	2,446.36
5	Inventory turnover ratio	Not Applicable since the Group is into service industry and does not hold any inventory					
6	Trade receivables turnover ratio	Revenue from operations	Average trade receivables: (opening trade receivables + Closing trade receivables)/2	28,621.23	1,792.97	21,102.86	1,425.10
7	Trade payables turnover ratio	Other expenses*: Total other expenses- expenses not directly attributable to trade payable+Purchase of traded goods	Average Trade payable: (Opening trade payable + closing trade payable)/2	941.03	267.34	607.08	164.08
8	Net capital turnover ratio	Net sales : Revenue from operations	Working capital: current assets - current liabilities	28,621.23	1,788.43	21,102.86	1,058.81
9	Net profit ratio	Profit/ (loss) after tax	Net sales : Revenue from operations	340.92	28,621.23	(336.56)	21,102.86
10	Return on Capital employed	Earnings before interest and taxes: profit/(loss) before tax + Finance cost	Capital employed: Tangible net worth + total debt + deferred tax liability	270.75	3,704.74	(267.02)	1,972.03
11	Return on investment	This ratio is not applicable since the Group does not have any projects / investments other than current operations.					

* Other expenses: The Group does not have any purchases being in the service industry. The balances of trade payables consist of other operating expenses and therefore we have considered other expenses in the numerator. Other expenses= Total other expenses - Bad debts and other receivables written off-Provision for doubtful trade and other receivables-Loss on disposal of property, plant and equipment-Translation loss (net) on monetary asset/liability-Loss on fair valuation/settlement of put option liability.
The above Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

41 Management Promote

The shareholder of the Company has adopted a Management Promote pursuant to which the shareholders will reward the management team of the Company, with a share (Sharing Amount) in the amount received by the shareholders (Received Amount) provided the received amount from the proceeds of a liquidity event satisfies the Multiple of Invested Capital (MOIC) and IRR requirement. These sharing amount will be directly paid to such employees entirely by the shareholders of the Company (without any recourse or liability or impact on Profit or Loss of the Company). The Company will seek the approval of the Board of Directors and the Shareholders in relation to the Management Promote, post the listing of the Equity Shares, in compliance with Regulation 26(6) of the Listing Regulations.

42 Events after balance sheet date

Rights Issue

The Company has raised funds via rights issue amounting to ₹ 1,200.00 million by offering 43,61,574 shares at a share price of ₹ 275.13 per share, (including a share premium of ₹ 265.13 per share). Rights issue was closed on April 04, 2022 and shares were allotted on April 16, 2022.

43 Impact on Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



Per and on behalf of the Board of Directors of
FirstMeridian Business Services Limited
(Formerly known as FirstMeridian Business Services Private Limited)

Sudhakar Bhalashighan
Director
DIN - 800628560
Place: Bangalore
Date : August 08, 2022

Milav Pratik
Director
DIN - 07692750
Place: Mumbai
Date : August 08, 2022

Satish Srinivasan,
Chief Financial Officer
Place: Bangalore
Date : August 08, 2022

Monali Pramod Joshi
Company Secretary
Mem.Berth No. A36428
Place: Mumbai
Date : August 08, 2022

