

INDEPENDENT AUDITOR'S REPORT

To The Members of FirstMeridian Business Services Private Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FirstMeridian Business Services Private Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and 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 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the

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consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books of accounts.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated

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Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of, subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Parent in terms of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Parent being a private company, section 197 of the Act related to the managerial remuneration not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018



Mukesh Jain
Partner
Membership No. 108262
UDIN:20108262AAAAUD2713

Place: Mumbai
Date: September 25, 2020

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

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	Assets			
1	Non-current assets			
	a. Property, plant and equipment	3	843.73	733.21
	b. Right-of-use asset	28.5	1,410.24	1,529.57
	c. Capital work-in-progress		-	138.91
	d. Goodwill		3,969.26	3,969.26
	e. Other intangible assets	4	8,847.04	15,178.92
	f. Financial assets			
	i. Others financial assets	5	4,979.88	3,163.52
	g. Deferred tax asset	6	373.30	589.88
	h. Non-current tax assets (net)		8,809.60	6,154.33
	Total non-current assets		29,233.05	31,457.70
2	Current assets			
	a. Financial Assets			
	i. Trade receivables	7	15,435.27	10,550.89
	ii. Loans	8	2.11	-
	iii. Cash and cash equivalents	9	7,788.77	8,937.29
	iv. Bank balance other than (iii) above	10	4,719.35	4,465.90
	v. Other financial assets	5	4,859.04	6,789.58
	b. Current tax assets (net)		1,420.52	-
	c. Other current assets	11	766.15	810.34
	Total current assets		34,991.21	31,554.00
	Total assets		64,224.26	63,011.70
	Equity and liabilities			
	Equity			
	a. Equity share capital	12	7,221.91	7,221.91
	b. Other equity	13	18,831.82	20,803.80
	Total Equity		26,053.73	28,025.71
	Liabilities			
1	Non-Current liabilities			
	a. Financial liabilities			
	i. Borrowings	14	43.48	78.77
	ii. Lease liability	28.6	891.63	907.56
	iii. Other financial liabilities		1,585.12	4,310.90
	b. Provisions for gratuity		3,190.68	2,087.64
	c. Deferred tax liability (net)	6	1,386.84	2,562.27
	Total current liabilities		7,097.75	9,947.14
2	Current liabilities			
	a. Financial liabilities			
	i. Borrowings	14	2,183.62	-
	ii. Trade payables			
	- Total outstanding dues of micro and small enterprises	15	0.18	19.36
	- Others		1,439.90	790.69
	iii. Lease liability	28.6	616.93	705.55
	iv. Other financial liabilities	16	17,436.32	15,614.49
	b. Provisions for compensated absence		2,250.26	1,255.10
	c. Other current liabilities	17	7,145.57	6,653.66
	Total current liabilities		31,072.78	25,038.85
	Total liabilities		38,170.53	34,985.99
	Total Equity and Liabilities		64,224.26	63,011.70

The accompanying notes are integral part of Financial statements

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In terms of our report attached of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants


Mukesh Jain
Partner
Date : September 25th, 2020
Place: Mumbai

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


Sudhakar Balakrishnan
Director
DIN - 00062956


Nilay Pratik
Director
DIN - 07692750


Satish Srinivasan
Chief Financial Officer


Monali Pramod Joshi
Company Secretary

Date : September 25th, 2020
Place: Mumbai

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

	Particulars	Note No.	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
I	Revenue from operations	18	2,07,361.56	1,41,280.91
II	Other Income	19	1,696.40	600.26
III	Total Income (I + II)		2,09,057.96	1,41,881.17
IV	Expenses			
	Cost of material consumed		129.53	101.31
	Payment to contractors		230.42	124.99
	Employee benefits expense	20	1,98,942.03	1,35,033.22
	Finance costs	21	185.90	126.91
	Depreciation and amortisation expense	22	7,595.59	5,188.31
	Other expenses	23	3,803.36	5,155.95
	Total expenses (IV)		2,10,886.83	1,45,730.69
V	Loss before tax (III - IV)		(1,828.87)	(3,849.52)
VI	Tax expenses	24		
	Current tax		198.92	312.19
	Deferred tax		(715.34)	(361.95)
	Tax relating to earlier years		(10.32)	-
			(526.74)	(49.76)
VII	Loss for the year (V - VI)		(1,302.13)	(3,799.76)
VIII	Other comprehensive income			
	<u>Items that will not be reclassified to profit or loss</u>			
	- Remeasurements of the defined benefit plans		(968.22)	(93.40)
	- Income tax effect on above		243.51	53.35
IX	Total comprehensive income for the year (VII + VIII)		(2,026.84)	(3,839.81)
	Attributable to :			
	Basic and diluted Earnings per share (in ₹)	25	(1.80)	(5.26)

The accompanying notes are integral part of Financial statements

1-37

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mukesh Jain

Partner

Date : September 25th, 2020

Place: Mumbai

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



Sudhakar Balakrishnan
Director



Nilay Pratik
Director



Satish Srinivasan
Chief Financial Officer



Monali Pramod Joshi
Company Secretary

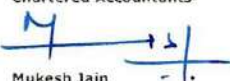
Date : September 25th, 2020
Place: Mumbai

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

Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Cash flows from operating activities		
Loss for the year	(1,828.87)	(3,849.52)
Adjustments for:		
Depreciation	7,595.59	5,188.31
Gain on account of early termination of leases	-	(1.73)
Interest Income on security deposits	(20.85)	(1.10)
Interest on Income Tax Refund	(165.99)	-
Interest income on fixed deposits with banks	(497.46)	(491.07)
(Profit)/loss on sale of property, plant and equipments (net)	(15.57)	(1.20)
Interest on loans from banks and financial institutions	45.36	13.50
Interest on lease liability	140.54	113.35
Liabilities Written Back	(83.39)	(60.72)
Dividend on investments in mutual funds	(0.93)	(14.75)
Provision for doubtful trade & other receivables	46.63	741.94
ESOP	54.86	-
Net gain/(loss) arising on financial assets designated as at FVTPL	-	0.13
Gain on Fair Valuation of Put Liability	(878.78)	-
Movement of NCI - Put Liability	(2,725.78)	-
	1,665.36	1,637.14
Movements in working capital:		
Increase/ (Decrease) in working capital :		
Trade and other receivables	(4,922.28)	1,944.40
Current and non current other financials assets	(131.12)	(5,307.71)
Other current assets	(2,601.23)	(536.68)
Trade and other payables	713.42	373.05
Provisions	1,129.96	2,030.66
Other current liabilities	491.90	1,807.61
Current and non current other financials liabilities	2,714.02	2,835.66
Cash generated from operations	(939.97)	4,784.13
Income taxes paid	(1,443.15)	(3,102.83)
Net cash generated from operating activities	(2,383.12)	1,681.30
Cash flows from investing activities		
Purchase of property, plant and equipments including capital advances	(443.17)	(33.66)
Purchase of intangibles	-	(337.32)
Purchase consideration paid net of cash acquired	-	(19,411.11)
Sale of property, plant and equipments	31.39	54.42
Dividend on investments	0.93	14.75
Balance in Fixed Deposit	(254.94)	(4,459.48)
Interest income on fixed deposits with banks	723.93	718.12
Net cash (used in)/generated from investing activities	58.14	(22,454.28)
Cash flows from financing activities		
Proceeds/(repayment) from borrowing	2,144.98	(1.27)
Proceeds from share Issued during the year	-	30,361.72
Payment of lease liability	(922.91)	(537.40)
Interest paid	(45.63)	(12.78)
Net cash generated from financing activities	1,176.44	29,710.27
Net increase in cash and cash equivalents	(1,148.54)	8,937.29
Cash and cash equivalents at the beginning of the year	8,937.29	-
Cash and cash equivalents at the end of the year	7,788.75	8,937.29

The accompanying notes are integral part of Financial statements

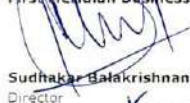
For Deloitte Haskins & Sells LLP
Chartered Accountants


Mukesh Jain

Partner
Date : September 25th, 2020
Place: Mumbai

1-37

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


Sudhakar Balakrishnan
Director


Nilay Pratik
Director


Satish Srinivasan
Chief Financial Officer


Monali Pramod Joshi
Company Secretary

Date : September 25th, 2020
Place: Mumbai

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

a. Equity share capital

Particulars	No. of shares	Amount
Balance at April 01, 2018	-	-
Changes in equity share capital during the year	7,22,19,134	7,221.91
Balance at March 31, 2019	7,22,19,134	7,221.91
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	7,22,19,134	7,221.91

b. Other equity

Particulars	Reserves & surplus			Total
	Securities premium reserve	Retained earnings	ESOP Reserve	
Balance at April 01, 2018				
Share issued during the period	24,767.73	-	-	24,768
Remeasurement of defined benefits plan		(40.05)	-	(40.05)
Less: Share Issue Expenses	(124.12)	-	-	(124.12)
Loss for the year		(3,799.76)	-	(3,799.76)
Balance at March 31, 2019	24,643.61	(3,839.81)		20,803.80
Share issued during the period	-	-	-	-
Share based payments	-	-	54.86	54.86
Remeasurement of defined benefits plan	-	(724.71)	-	(724.71)
Loss for the year	-	(1,302.13)	-	(1,302.13)
Balance at March 31, 2020	24,643.61	(5,866.65)	54.86	18,831.82

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mukesh Jain

Partner

Date : September 25th, 2020

Place: Mumbai

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



Sudhakar Balakrishnan

Director

DIN - 00062956



Nilay Pratik

Director

DIN - 07692750



Satish Srinivasan

Chief Financial Officer



Monali Pramod Joshi

Company Secretary

Date : September 25th, 2020

Place: Mumbai

FirstMeridian Business Services Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2020

1 Corporate information

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

2 Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a Statement of compliance

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

Compliance with Ind AS:

The consolidated Ind AS financial Information were authorized for issue by the Company's Board of Directors on 25 September 2020.

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

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

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

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. Refer note 42 (a) for subsidiaries considered for consolidation.

Non-controlling interests (NCI):

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

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

Changes in the Company'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.

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2.2 Significant Accounting Policies (Continued)

b) Principles of consolidation (Continued)

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 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.

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 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 vs non-current classification:

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

Assets:

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

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

Liabilities:

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

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

Operating cycle:

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

d) Functional and presentation currency

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

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

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2.1 Basis of preparation and measurement (Continued)

e Basis of measurement

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

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

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 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(l))
- iv. Recognition and measurement of provisions and contingencies; (Note 2.2(f))
- v. Fair value of financial instruments (Note 2.2 (d))
- vi. Impairment of financial assets (Note 2.2 (d))
- vii. Measurement of defined benefit obligations; (Note 2.2(i))
- viii. Fair valuation of employee share options; (Note 2.2(i))

g Measurement of fair values

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

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

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

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

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

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

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

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

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

- Financial instruments
- Share-based payment arrangements

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2.2 Significant Accounting Policies

a) Property plant and equipment

Recognition and measurement:

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

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

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

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

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the 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 derecognized when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation:

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

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

Leasehold improvement are depreciated over the tenure of lease term.

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

b) Intangible assets

Other Intangible assets:

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

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

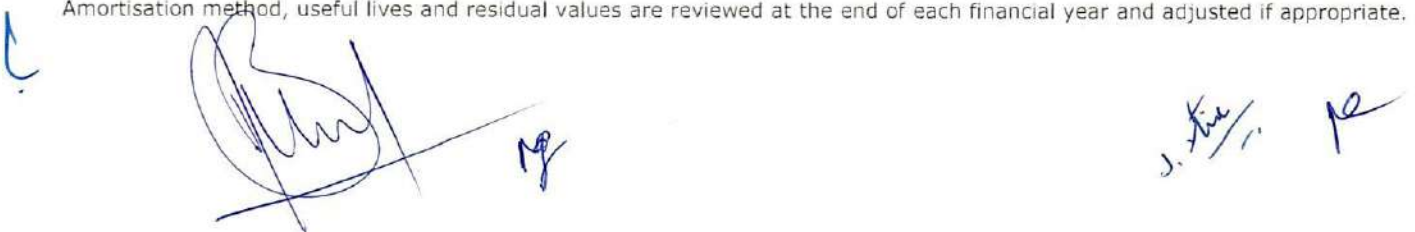
Amortization

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

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

Software - 10 years

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



2.2 Significant Accounting Policies (Continued)

c) Impairment of non-financial assets

The 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 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 only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

d) Financial Instruments

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

Financial assets

Initial recognition and measurement

Financial assets are initially recognized when the 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 recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

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

Amortized cost :

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

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

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

Investment in subsidiaries

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

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

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

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

Fair value through Other Comprehensive Income ('FVOCI')

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

- The asset is held within a business model whose objective is achieved by both
- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

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2.2 Significant Accounting Policies (Continued)

d) Financial Instruments (Continued)

Derecognition

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

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

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

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

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

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

Impairment of financial assets

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

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized when the 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 amortized cost:

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

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

Derecognition

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

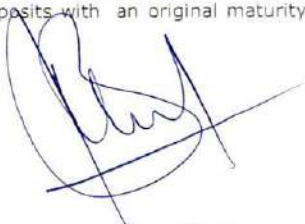
Offsetting of financial instruments

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

e) Cash and Cash Equivalents

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

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2.2 Significant Accounting Policies (Continued)

f) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

a) Workforce management:

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

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

h) Other income

Interest income

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

i) Employee Benefits

(i) Short-term Employee benefits

Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the 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 recognized 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 grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity under "Employee Stock Options reserve", over the period that the employees become unconditionally entitled to the options. The expense is recorded separately for each vesting portion of the award as if the award, in substance, was multiple awards.

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

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2.2 Significant Accounting Policies (Continued)

(iii) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a 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 recognized as an expense in the year in which services are rendered by the employee.

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).

j) Leases:

As a Lessee:

Transition:

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

The 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:

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- 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 includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

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

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The 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 statement of financial position. The right-of-use assets are initially recognized at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the 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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2.2 Significant Accounting Policies (Continued)

k) Government Grants

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

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

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

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

l) Income-tax

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

Current Tax

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

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

Deferred Tax

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

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

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

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

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the 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
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

m) Foreign currency

Foreign currency transactions:

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

n) 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.

o) Earnings per share:

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

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

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

p) Cash Flow Statement

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

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group operates in one reportable business segment i.e. "Staffing services". Further the geographic segments are not applicable since assets are only in India.

2.2 Significant Accounting Policies (Continued)

r) Recent amendments:

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

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

3 Property, plant and equipment

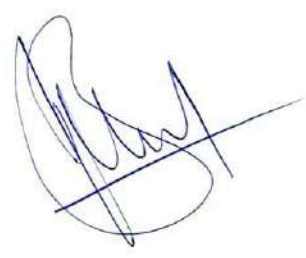
Description of assets	Data Processing Machines (Computer)	Furniture and fixtures	Office equipment	Vehicles	Leasehold Improvements	Building	Total
Deemed Cost							
As at April 1, 2018	-	-	-	-	-	-	-
Additions	102.62	41.34	115.34	-	44.50	-	303.80
Assets acquired through business combination	389.50	196.74	296.99	298.16	23.20	-	1204.60
Disposals	(2.44)	-	(0.84)	(104.48)	-	-	(107.76)
As at March 31, 2019	489.68	238.08	411.49	193.68	67.70	-	1400.64
Additions	211.65	43.50	83.43	-	-	148.53	487.11
Disposals	(23.12)	(18.18)	(23.99)	(28.98)	-	-	(94.27)
As at March 31, 2020	678.21	263.40	470.93	164.70	67.70	148.53	1793.48
Depreciation							
As at April 1, 2018							
Accumulated depreciation on acquired assets through business combination	179.97	80.44	95.56	89.45	14.91	-	460.33
Depreciation expense for the year	96.44	43.10	75.05	39.76	7.28	-	261.63
Eliminated on disposal of assets	(2.44)	(0.59)	(0.57)	(50.94)	-	-	(54.54)
As at March 31, 2019	273.97	122.95	170.04	78.27	22.19	-	667.42
Depreciation expense for the period	153.60	41.81	111.97	35.59	12.32	5.78	361.07
Eliminated on disposal of assets	(20.11)	(10.39)	(19.27)	(28.98)	-	-	(78.75)
As at March 31, 2020	407.46	154.37	262.74	84.88	34.51	5.78	949.74
As at March 31, 2020	270.75	109.03	208.19	79.82	33.19	142.75	843.73
As at March 31, 2019	215.71	115.13	241.45	115.41	45.51	-	733.21

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

4 Other intangible assets

Description of assets	Software Rights	Right to use Trademark	Customer Relationship	Intellectual Property	Total
Deemed Cost/Cost					
As at April 1, 2018					-
Additions	13.39	-	-	-	13.39
Assets acquired through business combination	338.40	432.45	18,809.14	178.65	19,758.64
As at March 31, 2019	351.79	432.45	18,809.14	178.65	19,772.03
Additions	85.18	-	-	-	85.18
Disposals/ reclassifications	(1.64)	-	-	-	(1.64)
As at March 31, 2020	435.33	432.45	18,809.14	178.65	19,855.57
Depreciation					
As at April 1, 2018					
Accumulated depreciation on acquired assets through business combination	149.09	54.06	-	80.47	283.62
Depreciation expense for the year	85.25	32.44	4,093.62	98.18	4,309.49
As at March 31, 2019	234.34	86.50	4,093.62	178.65	4,593.11
Depreciation expense for the period	103.81	43.24	6,269.71	-	6,416.76
Eliminated on disposal of assets/ reclassifications	(1.34)	-	-	-	(1.34)
As at March 31, 2020	336.81	129.74	10,363.33	178.65	11,008.53
As at March 31, 2020	98.52	302.71	8,445.81	-	8,847.04
As at March 31, 2019	117.45	345.95	14,715.52	-	15,178.92

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

5 Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Non- current		
Deposit for premises	471.44	313.21
Less:- Provision for doubtful deposits	(152.21)	(81.63)
	319.23	231.58
Unbilled revenue towards reimbursable gratuity and compensated absences	4,659.16	2,932.04
Fixed Deposits with original maturity of more than 12 months.	1.49	-
Total	4,979.88	3,163.62
Current		
Advance to Employees		
- considered good	69.25	102.54
- considered doubtful	8.23	13.73
Less:- Provision for doubtful advance	(8.23)	(13.73)
	69.25	102.54
Unbilled revenue	4,775.99	5,459.99
Claim receivable on business transfer	-	56.35
Less:- Provision for doubtful advance	-	(56.35)
	-	-
Interest accrued on fixed deposits	0.83	227.05
Interest Income on Income Tax Refund	11.97	-
Total	4,859.04	6,789.58

6 Deferred tax asset (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset	373.30	589.88
Deferred tax Liabilities	1,386.84	2,562.27
Total	(1,013.53)	(1,972.39)

6.1 Movement in deferred tax balances

Particulars	For the year ended March 31, 2020			
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Provision for employee benefits	1,395.95	(808.83)	243.51	1,329.63
Property, plant and equipment	(883.85)	(65.65)	-	(949.51)
Provision for doubtful debts	229.27	(71.66)	-	157.61
Unbilled revenue	(744.50)	-	-	(744.50)
Others	430.35	(155.93)	-	274.42
Provision for Bonus	162.67	50.55	-	213.22
Customer Relationship	(2,562.27)	1,267.87	-	(1,294.40)
Net tax asset/(liabilities)	(1,972.39)	715.35	243.51	(1,013.53)

6.2 Movement in deferred tax balances

Particulars	Period from February 20, 2018 to March 31, 2019			
	Balance on acquisition	Recognised in profit and Loss	Recognised in OCI	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Provision for employee benefits	706.03	636.57	53.35	1395.95
Property, plant and equipment	(587.87)	(295.99)	-	(883.86)
Provision for rent escalation	-	-	-	-
Provision for doubtful debts	19.83	209.44	-	229.27
Unbilled revenue	-0.02	(744.48)	-	(744.50)
Others	157.46	272.89	-	430.35
Provision for Bonus	68.43	94.24	-	162.67
Deduction of Section 80JJAA	421.63	(421.63)	-	-
Customer Relationship	(3173.19)	610.92	-	(2562.27)
Net tax asset/(liabilities)	(2387.70)	361.96	53.35	(1972.39)

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

7 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	15,435.27	10,550.89
Unsecured, considered doubtful	522.21	574.83
Less: Allowance for doubtful debts (expected credit loss allowances)	(522.21)	(574.83)
Total	15,435.27	10,550.89

Balance as at April 01, 2018	
Allowance for doubtful debts	574.83
Balance as at March 31, 2019	574.83
Allowance for doubtful debts	(52.62)
Balance as at March 31, 2020	522.21

8 Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Staff loans	2.11	-
Loan to Subsidiary	-	-
Total	2.11	-

9 Cash and cash equivalents

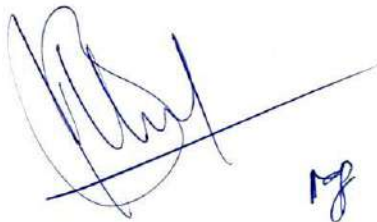
Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- In current account	1,378.21	2,114.15
- in other deposit accounts - original maturity of three months or less	6,410.56	6,823.11
Cash on hand	-	0.03
Total	7,788.77	8,937.29

10 Bank balance other than Cash and cash equivalents

- in other deposit accounts - original maturity more than 3 months but less than 12 months	4,719.35	4,465.90
Total	4,719.35	4,465.90

11 Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	321.28	316.13
Balances with Government authority	23.01	12.94
GST receivable	45.08	160.11
Other receivables	45.36	4.55
- considered doubtful	20.78	20.78
Less: Provision for unrealisable assets	(20.78)	(20.78)
Advance to Suppliers	-	-
- considered good	101.45	13.23
Security Deposit - Current	101.45	13.23
	229.97	303.38
Total	766.15	810.34



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

12 Equity share capital

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

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

Particulars	Numbers	Amount
No of shares as at 01st April 2018		
Add:- additional shares issued during the year	7,22,19,134	7,221.91
As at the end of the year 31st March 2019	7,22,19,134	7,221.91
Add:- additional shares issued during the year	-	-
As at the end of the year 31st March 2020	7,22,19,134	7,221.91

12.2 Terms right attached to the equity shares

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


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

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

13 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium Account	24,643.61	24,643.61
Share based payments	54.86	-
Retained earnings	(5,866.65)	(3,839.81)
Total	18,831.82	20,803.80

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14 Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Vehicle loans	43.48	78.77
Total	43.48	78.77
Current		
Loan repayable on demand from Bank	2,183.62	-
Total	2,183.62	-

Terms and condition of outstanding borrowings are as follows:

14.1 Vehicle loan :

(i) Vehicle Loan of Rs. 5.19 lakhs as at March 31, 2020 (March 31, 2019: 7.71 lakhs) is from ICICI Bank carrying an interest rate of 9.10% The loan is repayable in 60 monthly installments 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 Rs. 59.05 lakhs as at March 31, 2020 (March 31, 2019: 78.89 lakhs) is from Kotak Mahindra Prime carrying an interest rate of 7.87% The loan is repayable in 60 monthly installments 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 Rs. 6.38 lakhs as at March 31, 2020 (March 31, 2019: 9.06 lakhs) is from Toyota Financial Services (I) Limited carrying an interest rate of 8.85% The loan is repayable in 60 monthly installments 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.

14.2 The Group has taken cash credit and overdraft facilities.

These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of Innovsource Services Private Limited and also on the current assets of the co borrower a) V5 Global Services Private Limited and b) Affluent Global Services Private Limited

15 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
-Micro and small enterprises (refer note no 27)	0.18	19.36
-Other than micro and small enterprises	1,439.90	790.69
Total	1,440.08	810.05

16 Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long term Debt	27.14	30.49
Payable for capital purchases	-	11.18
Employee Benefits Payable	9,571.69	10,783.49
Deposit received	54.89	57.32
Interest accrued but not due	0.44	0.71
Other Current Liabilities	564.81	222.15
Accrued compensation to employees	5,370.35	4,509.15
Put Option Liability against purchase of NCI share	1,847.00	-
Total	17,436.32	15,614.49

17 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	6,771.22	6,438.32
Advance from Customers	117.01	-
Others	257.34	215.34
Total	7,145.57	6,653.66

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

18 Revenue from operations

Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Sale of services	2,07,361.56	1,41,280.91
Total	2,07,361.56	1,41,280.91

19 Other Income

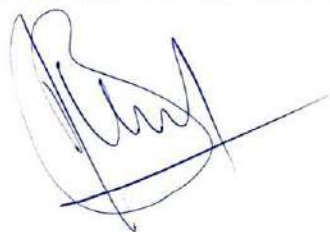
Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Interest on income tax refund	165.99	-
Bank deposits (at amortised cost)	497.46	477.29
Dividend on mutual funds	0.93	14.74
Miscellaneous income	33.43	29.51
Gain on disposal of property, plant and equipment	15.57	1.20
Interest on Loans	0.25	-
Excess Provision/Liability no longer required written back	83.39	60.72
Interest income on security deposits	20.60	14.94
Gain on account of early termination of leases	-	1.73
Net gain arising on financial assets designated as at FVTPL	-	0.13
Gain on Fair Valuation of Put Liability	878.78	-
Total	1,696.40	600.26

20 Employee benefits expenses

Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Salaries and Wages	1,80,330.06	1,22,175.46
Contribution to provident and other funds	13,838.48	11,579.62
Gratuity	732.77	605.26
Staff Welfare Expenses	3,985.86	672.88
Expense on employee stock option scheme	54.86	-
Total	1,98,942.03	1,35,033.22

21 Finance Costs

Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Interest on loans from banks and financial institutions	45.36	13.56
Interest on lease liability	140.54	113.35
Total	185.90	126.91





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

22 Depreciation and amortisation expense

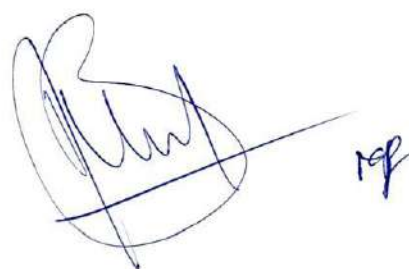
Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Depreciation of property, plant and equipment	361.07	261.63
Depreciation of right-of-use asset	817.76	617.20
Amortisation of intangible assets	6,416.76	4,309.48
Total	7,595.59	5,188.31

23 Other expenses

Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
Auditor's Remuneration	74.66	41.46
Communication expenses	284.11	250.20
Lodging and Boarding Expenses	27.00	11.94
Power and Fuel	233.31	162.05
Rent - Office	472.99	442.13
Repairs and Maintenance	90.60	143.49
Insurance	43.14	70.26
Rates and Taxes	6.14	10.86
Provision for doubtful trade and other receivables	46.63	634.34
Bad debts and other receivables written off	-	121.43
Professional and consultancy fees	483.16	1,625.45
Outsourcing Expenses	313.48	338.56
Cost for Support Services	311.80	111.51
Recruitment and training expenses	209.44	319.19
Travelling and conveyance	335.79	288.12
License Subscription	14.51	13.82
Expense towards corporate social responsibility	44.69	1.99
Miscellaneous Expenses	811.91	448.88
Loss on Fair Valuation of Put option	-	120.27
Total	3,803.36	5,155.95

23.1 Payments to auditors

Particulars	For the year ended March 31, 2020	Period from February 20, 2018 to March 31, 2019
a) For audit	43.00	35.00
b) Tax Audit	5.00	5.75
c) For other services	26.66	0.71
Total	74.66	41.46





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

24 Current tax and deferred tax

24.1 Income tax recognised in profit and loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
Profit before tax	(1,828.87)	(3,849.52)
Tax rate	29.12%	29.12%
Income tax expense calculated (incl. surcharge)	(532.57)	(1,120.98)
Deferred tax asset not recognised	78.52	349.50
Effects of expenses that are not deductible in determining taxable profits	39.49	62.91
Exempt income	(0.23)	(8.71)
80JJA tax incentives	(693.68)	(192.28)
Adoption of new tax regime under section 115BAA on deferred tax including reversal of MAT credit entitlement	397.31	-
Tax expense pertaining to earlier years	(10.32)	-
Impact of change in tax rate	181.10	859.81
Others	13.63	-
DTL reversal on Amortisation of Customer Relationship	-	-
Income tax expense recognised In profit or loss	(526.75)	(49.75)

24.2 Deferred Tax

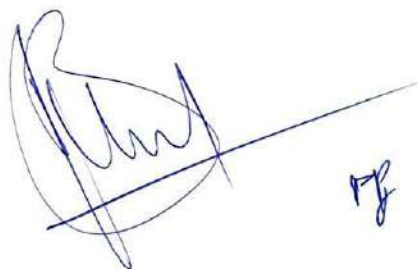
The Group has not recognised deferred tax asset, of Rs. 78.52 lakhs for the year ended March 31, 2020 (Rs 349.50 lakhs for the year ended March 31, 2019) , with respect to its tax losses and other temporary differences as it is unable to quantify the probability of its off-set against estimated immediate future profits. The estimated future profits are based on estimated business plan, hence, the recognition is sensitive to the changes in the business plan.

25 Basic earnings per share

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year attributable to owners of the Group	(1,302.13)	(3,799.76)
Weighted average number of equity shares	7,22,19,134	7,22,19,134
Basic and Diluted earnings per share	(1.80)	(5.26)

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




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

26 Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims not acknowledged as debts (refer note 25.1)	137.85	105.79

26.1 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.

26.2 Provident fund

On 28 February 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 legally advised that there are various interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is not practicable at this stage to reliably measure the contingencies relating to amounts payable if any on potential demands relating to Provident Fund.

27 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006,

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.18	19.36
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(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	-	-

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

28 Leases

28.1 Transition

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 2205.86 Lacs and a lease liability of ₹ 2306.35 Lacs. The cumulative effect of applying the standard of ₹ 100.49 Lacs was credited to retained earnings. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with i. a similar end date.

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 ii. months of lease term on the date of initial application

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial iii. application.

28.3 The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 22 and 21.

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

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28.5 Following are the changes in the carrying value of right of use assets for the year ended March

Particulars	Category of ROU		Total
	Office Space	Furniture & Fittings	
Balance as of April 1, 2018	-	-	-
Additions	2,172.45	33.41	2,205.86
Depreciation	(593.81)	(23.39)	(617.20)
Deletions	(59.09)	-	(59.09)
Balance as of March 31, 2019	1,519.55	10.02	1,529.57
Balance as of April 1, 2019	1,519.55	10.02	1,529.57
Additions	739.70	5.02	744.72
Depreciation	(806.78)	(10.98)	(817.76)
Deletions	(46.29)	-	(46.29)
Balance as of March 31, 2020	1,406.18	4.06	1,410.24

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

Particulars	As at March 31, 2020	As at March 31, 2019
Current Lease liabilities	616.93	705.55
Non-current lease liabilities	891.63	907.56
Total	1,508.56	1,613.11

28.7 The following is the movement in lease liabilities:

Particulars	Amount (Rs.)
Balance as of April 1, 2018	
Additions/Deletions	2,306.36
Finance cost accrued during the period	113.35
Payment of lease liabilities	(806.60)
Balance as of March 31, 2019	1,613.11
Balance as of April 1, 2019	1,613.11
Additions/Deletions	675.81
Finance cost accrued during the period	140.54
Payment of lease liabilities	(920.90)
Balance as of March 31, 2020	1,508.56

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

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than 1 year	722.97	820.00
Later than 1 year and not later than 5 years	960.95	970.04
Later than 5 years	24.11	50.23
	1,708.03	1,840.27

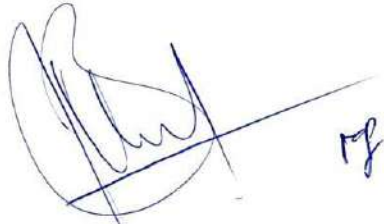
The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

28.9 Amounts recognised in profit and loss

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense on right-of-use assets	817.76	617.20
Interest expense on lease liabilities	140.54	113.35
Expense relating to short-term leases	472.99	442.13
Expense relating to leases of low value assets	-	-

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

29 Related parties transactions

29.1 Names of the related parties and related party relationships

Particulars	Relationship
Manpower Solutions Limited	Holding company
Innovsource Services Private Limited (w.e.f June 28, 2019)	Subsidiary company
Innovsource Facilities Private Limited (w.e.f June 28, 2019)	Subsidiary company
V5 Global Services Private Limited (w.e.f July 5, 2019)	Subsidiary company
Affluent Global Services Private Limited (w.e.f September 17, 2019)	Subsidiary company
Key Management Personnel	
Sudhakar Balakrishnan (w.e.f March 21, 2018)	Director
Bandaru Venkaiah Naidu	Director
Ankur Vidyasagar Gulati	Director
Manish Mehta	Director
Niladri Mukhopadhyay	Director
Nilay Pratik	Director
Jiten Umesh Poojara	Director
Shishir Gorle (till 27 June 2018)	Director
Raja Shekhar Reddy (till 27 June 2018)	Director
Satya Prasan Rajguru	Managing Director
Shailesh Narayanrao Ardhapurkar	Managing Director
Satish Srinivasan	Chief Financial Officer
Tejas Sanghvi	Chief Financial Officer
Monali Pramod Joshi	Company secretary.
Relative of Key Managerial Person "KMP"	
Ira Dash Rajguru	Wife of Mr. Satya Prasan
Archana Shailesh Ardhapur (wef January 02, 2020)	Relative of KMP

29.2 Details of related party transactions

Particulars	As at March 31, 2020	As at March 31, 2019
Manpower Solutions Limited		
Issuance of shares during the year (including Securities premium account)	-	28,470.00
Remuneration to KMP of Parent	245.08	181.15
Reimbursement of expenses of Parent	3.65	10.81
Remuneration to KMP of Subsidiaries	910.91	580.67
Reimbursement of expenses of Subsidiaries	23.74	7.11

29.3 Details of related party closing balances

Particulars	As at March 31, 2020	As at March 31, 2019
Accrued Compensation to KMP of Parent	87.11	21.45
Accrued Compensation to KMP of Subsidiaries	7.16	-
Accrued Reimbursement of KMP expenses of Subsidiaries	13.14	-






30 Segment information

The Group is considered to be a single segment 'Management service' - engaged in the business of providing management services to staffing, house company and other facilities company. It comprises of house keeping services and other related services. All other activities of the Group revolve around its main business. The Managing Director (MD) of the Group, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. Therefore, the Board of directors have concluded that there is only one operating reportable segment as defined by Ind AS 108 -Operating Segments.

31 Employee benefits

i) Defined Contribution Plan

The Group's contribution to Provident fund and other funds aggregating during the period ended March 31, 2020 is ₹ 13838.48 Lakhs (and during the year ended 31 March 2019: ₹ 11579.62 Lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

ii) Defined Benefit Plans:

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 previous year, the Group has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs, 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.

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of

(1) Salary risk:

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

(2) Interest rate risk

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

(3). 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). Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(5). Mortality risk:

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

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

Particulars	Valuation as at	
	As at March 31, 2020	As at March 31, 2019
(i). Financial assumptions		
Discount rate (p.a.)	4.36% - 6.68%	6.55% - 7.79%
Salary escalation rate (p.a.)	3.38% - 7%	2.62% - 7%
Salary escalation rate (p.a.)-Project Staff	9.00%	6.00%
Rate of employee turnover (p.a.)	Below 5years 47% and 5 years and above 5%	Below 5years 45% and 5 years and above 7%
Rate of employee turnover (p.a.)--Project Staff	70.00%	70.00%
(ii). Demographic assumptions		
Mortality rate	IALM 2012-14	IALM 2006-08

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

	As at March 31, 2020	As at March 31, 2019
Current service cost	610.07	336.73
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	122.70	268.53
Components of defined benefit costs recognised in profit or loss	732.77	605.26
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from changes in financial assumptions	726.94	28.58
Actuarial (gains)/loss arising from changes in demographic assumptions	(121.16)	(44.92)
Actuarial (gains)/loss arising from experience adjustments	352.14	(77.12)
Return on plan assets (excluding amount included in net interest expense)	0.30	0.06
Adjustment to recognise the effect of asset ceiling		
Components of defined benefit costs recognised in other comprehensive income	968.22	(93.40)
Total	1,700.99	511.86

Notes:

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

(ii) The remeasurement of the net define benefits liability is included in other comprehensive income for the year ended March 31, 2020 and for the year ended March 31, 2019.

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

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

	As at March 31, 2020	As at March 31, 2019
Present value of benefit obligation at the end of the year	3,223.22	2,145.31
Fair value of plan assets at the end of the year	32.54	57.67
Unfunded status -Surplus/ (Deficit)	3,190.68	2,087.64

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening of defined benefit obligation	2,141.59	2,218.47
Current service cost	610.18	357.03
Past service cost	-	-
Interest on defined benefit obligation	125.67	148.55
Remeasurements due to:	0.29	0.36
Actuarial loss / (gain) arising from change in financial assumptions	726.34	(432.58)
Actuarial loss / (gain) arising from change in demographic assumptions	(121.27)	397.24
Actuarial loss / (gain) arising on account of experience changes	366.47	143.78
Benefits paid	(626.05)	(687.54)
Closing of defined benefit obligation	3,223.22	2,145.31

Movement in the fair value of the plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening fair value of plan assets	57.67	91.26
Employer contribution	2.07	0.07
Interest on plan assets	3.26	6.08
Administration expenses	-	-
Remeasurement due to:	-	-
Return on Plan Assets, Excluding Interest Income	(0.30)	(0.50)
Benefits paid	(30.15)	(39.24)
Assets distributed on settlement	-	-
Closing of defined benefit obligation	32.54	57.67

Major category of plan assets (as a percentage of total plan assets)

Particulars	As at March 31, 2020	As at March 31, 2019
Trust Managed/Insurer Managed Funds	100%	100%
Total	1.00	1.00

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 1%.

Principal assumption	Impact on defined benefit obligation	
	March 31, 2020	March 31, 2019
a) Discount rate		
Increase by 1%	(551.42)	(638.11)
Decrease by 1%	465.09	519.26
b) Salary Escalation Rate		
Increase by 1%	604.77	657.10
Decrease by 1%	(432.75)	(486.87)
c) Employee Turnover Rate		
Increase by 25% (LY 1%)	477.04	668.06
Decrease by 25% (LY 1%)	(402.51)	(424.26)

Notes:

- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit obligation:

Maturity Analysis of the Benefit Payments: From the Fund

Projected benefits payable in future years from the date of reporting:

Particulars	As at March 31, 2020	As at March 31, 2019
Within 1 Year	152.53	157.21
2-5 years	652.08	626.27
6-10 years	903.00	745.58
11 years and above	4,334.22	2,073.21

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32 Financial instruments

32.1 Financial instruments by category

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

Particulars	Total carrying value	Total fair value
As at March 31, 2020		
Financial assets measured at amortised cost		
Non-Current		
Other financial assets	4,979.88	4,979.88
Current		
Cash and cash equivalents	7,788.77	7,788.77
Trade receivables	15,435.27	15,435.27
Other financial assets	4,859.04	4,859.04
Financial Liabilities measured at amortised cost		
Non-Current		
Borrowing	43.48	43.48
Lease liabilities	891.63	891.63
Current		
Lease liabilities	616.93	616.93
Trade payables	-	-
Other financial liabilities	17,436.32	17,436.32
As at March 31, 2019		
Financial assets measured at amortised cost		
Non-Current		
Other financial assets	3,163.62	3,163.62
Current		
Cash and cash equivalents	8,937.29	8,937.29
Trade receivables	10,550.89	10,550.89
Other financial assets	6,789.58	6,789.58
Financial Liabilities measured at amortised cost		
Non-Current		
Borrowing	78.77	78.77
Lease liabilities	907.56	907.56
Current		
Lease liabilities	705.55	705.55
Trade payables	-	-
Other financial liabilities	15,614.49	15,614.49

32.2 Capital management

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

32.3 Financial risk management objectives

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

A. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the 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.

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

B. Liquidity risk

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

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32 Financial instruments (Cont.)

Maturities of financial liabilities

Table showing maturity profile of non-derivative financial liabilities:

Particulars	Upto One year	1-5 years	Total
March 31, 2020			
Borrowing	2,183.62	43.48	2,227.10
Trade payables	1,440.08	-	1,440.08
Other financial liabilities	17,436.32	-	17,436.32
March 31, 2019			
Borrowing	-	78.77	78.77
Trade Payables	810.05	-	810.05
Other financial liabilities	15,614.49	-	15,614.49

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 revenues and other major transactions in its functional currency i.e. INR. Accordingly the Group is not exposed to any currency risk.

ii). Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

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33 First-time adoption of Ind-AS

33.1 First time Ind AS adoption reconciliations

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

Particulars	Notes	As at March 31, 2019
Total equity as per previous GAAP		24,030.91
Ind AS adjustments:		
Impact on adoption of Ind AS 116	a.	(137.05)
Provision for doubtful debts	b.	(50.24)
Fair Valuation of Security Deposits	d.	17.72
Reversal of Goodwill amortization		852.70
Interest income on security deposit		1.13
Amortisation of Customer Relationship		(4,093.62)
Deferred tax on Ind AS adjustments	e.	340.29
Fair Valuation of Put Liability		(120.27)
Others		(37.88)
Total adjustments		(3,227.22)
Total equity		20,803.69

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

Particulars	Notes	For the year ended March 31, 2019
Profit as per previous GAAP		(686.02)
Ind AS Adjustments:		
Impact on adoption of Ind AS 116	a.	(49.26)
Fair Valuation of finance assets	d.	15.07
Reclassification of Actuarial Gain/(Loss)	c.	93.40
Share Issue Expenses adjusted with Securities Premium	f.	124.12
Provision for doubtful debts	b.	(9.76)
Reversal of Goodwill amortization		639.53
Amortisation on Customer Relationship		(4,093.62)
Deferred tax on above adjustments		
Fair Valuation of Put Liability		(120.27)
Deferred tax on above adjustments	e.	286.94
Total effect of transition to Ind AS		(3,113.86)
Profit under Ind AS		(3,799.88)
Other comprehensive income (net of tax)	e.	(40.05)
Total Comprehensive Income		(3,839.92)

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

33.2 Notes to reconciliation

- On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 2205.86 Lakhs and a lease liability of ₹ 2306.35 Lakhs. The cumulative effect of applying the standard of ₹ 100.49 Lakhs was credited to retained earnings. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
- The provision is made against trade receivables based on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made when the receivable turned doubtful based on the assessment on case to case basis.
- Both under Indian GAAP and Ind AS, the Group has recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.
- Under Indian GAAP, there are certain security deposits (refundable) given which are carried at nominal value. Ind AS requires to measure these assets at fair value at inception and subsequently these assets are measured at amortized cost. At inception date, Group recognises difference between deposit fair value and nominal value as Right to use asset and same is being recognised as depreciation expense on straight line basis over the lease period. Further, Group recognises notional interest income on these deposit over the lease term.
- Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases.

The various transitional adjustments lead to temporary differences such as recognition of deferred tax impact on provision for doubtful debts as per ECL model. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.
- Under Previous GAAP, the share issue expenses are charged off to the profit or loss account, whereas Ind AS requires this to be directly debited to other equity.

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FirstMeridian Business Services Private Limited

Notes forming part of the Consolidated Statement of Profit & Loss for the period from February 20, 2018 to March 31, 2019

34 Subsidiaries acquired/ businesses acquired

Rs. in lac

Name of acquiree	Principal activity	Place of incorporation and operation	Acquisition date	% of Beneficiary equity interest	% of voting equity interest	Consideration
Innovsource Facilities Private Limited	Facility Management Services	India	June 28, 2018	100%	100%	933.06
Innovsource Services Private Limited	Manpower supply services	India	June 28, 2018	100%	100%	12,549.94
V5 Global Services Private Limited	IT enabled Services	India	July 5, 2018	100%	76%	5,254.67
Infield Infotech Private Limited	IT enabled Services	India	July 5, 2018	100%	76%	
Affluent Global Services Private Limited	Technology Services	India	September 17, 2018	100%	73%	6,456.91
Linktag Global Services Private Limited	Technology Services	India	September 17, 2018	100%	73%	

34.1 Consideration transferred

Rs. in lac

Particular	Innovsource Facilities Private Limited	Innovsource Services Private Limited	V5 Global Services Private Limited	Affluent Global Services Private Limited
Cash	933.06	12,549.94	5,254.67	4,953.26
Issue of Shares	-	-	-	1,503.65
Contingent consideration arrangement	330.00	330.00	-	-

34.2 Acquisition cost

Acquisition-related costs amounting to Rs.511.65 Lacs have been excluded from the consideration transferred and have been recognised as an expense in Consolidated Statement of profit and loss in the current year, within the 'Other expenses' line item.

34.3 Assets acquired and liabilities recognised at the date of acquisition

Rs. in lac

Particular	Innovsource Services Private Limited	Innovsource Facilities Private Limited	V5 Global Services Private Limited	Affluent Global Services Private Limited
Current assets				
Cash and cash equivalents	2,005	601.09	2,243.83	429.47
Bank balance other than above	-	-	-	6.42
Trade and other receivables	9,239	514.59	2,644.74	990.22
Other financial assets	2,529	68.59	716.25	490.11
Other current assets	164	13.52	70.00	35.82
	13,938.22	1,197.79	5,674.82	1,952.04
Non-current assets				
Plant and equipment	494.69	0.22	196.57	52.75
Right-of-use asset	1,217.94	0.00	120.05	262.79
Goodwill	7,538.40	135.90	-	149.00
Other Intangibles	555.06	12.65	98.18	-
OWIP	-	-	137.66	-
Deferred tax assets (net)	51.12	12.04	675.41	46.95
Other financial assets	538.47	4.12	330.59	33.67
Other non-current assets	1,769.48	26.24	1,444.90	-
Non Current Investment	-	-	-	-
Non-current tax assets (net)	-	-	-	175.30
	12,165.16	191.17	3,003.36	721.47
Current liabilities				
Trade and other payables	77.27	156.62	83.63	180.20
Other current liabilities	3,168.91	158.49	1,273.37	245.31
Other financial liabilities	9,087.21	414.66	3,163.36	192.88
Provisions	257.05	19.77	241.83	8.56
	12,590.44	749.54	4,762.19	626.95
Non-current liabilities				
Deferred tax liabilities	-	0.00	-	-
Borrowings	-	-	110.53	-
Lease liabilities	1,251.55	-	130.87	274
Provisions	408.44	79.74	175.63	81
	1,659.99	79.74	417.03	354.92
Net assets acquired	11,852.95	559.68	3,498.96	1,691.64
Revenue for the period ended	1,02,325.06	3,823.05	32,870.63	2,711.64
Expenses for the period ended	1,01,421.09	3,940.37	32,511.33	2,472.64
Profit / (Loss) before tax for the period ended	903.97	(117.32)	359.30	239.00
Profit / (Loss) after tax for the period ended	664.63	(57.92)	-12.70	189.77

34.4 Goodwill arising on acquisition

Rs. in lac

Particular	Innovsource Services Private Limited	Innovsource Facilities Private Limited	V5 Global Services Private Limited	Affluent Global Services Private Limited
Total purchase consideration paid:	12,549.94	933.06	5,254.67	6,456.91
NCI Put Option Liability	-	-	1,603.64	2,586.99
Less:				
Net assets acquired	4,314.57	423.76	3,498.94	1,542.64
Value Attributable To Client Relationship	7,776.67	478.47	3,250.00	7,304.00
DTL on Client Relationship	0	99.76	946.40	2,126.92
Client Relationship (Net of taxes)	7,776.67	378.71	2,303.60	5,172.08
Difference considered as goodwill	458.70	130.59	1,055.77	2,324.19

34.5 Goodwill on consolidation

Rs. in lac

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	3,969.25	-
Add: On acquisition of subsidiaries during the year	-	3,969.25
Total	3,969.25	3,969.25

34.6 Net cash outflow on acquisition of business

Rs. in lac

Particulars	Amount
Consideration paid in cash	23,690.93
Less: cash and cash equivalent balances acquired	5,279.82
Total	18,411.11

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

36 Employee Stock Option Scheme (ESOS)

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

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

The vesting period for conversion of Options is as follows:

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

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

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

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

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

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

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

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

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


Sudhakar Balakrishnan
 Director
 DIN - 00062956


Nilay Pratik
 Director
 DIN - 07692750


Satish Srinivasan
 Chief Financial Officer


Monali Pramod Joshi
 Company Secretary

Place: Mumbai
 Date : September 25th, 2020