

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, 2021, 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 2021, 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 consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- 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 Ind AS 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.

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, returns and the reports of the other auditors.
 - 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 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.

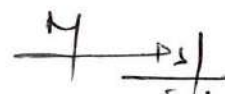
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- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of, subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 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's Registration No. 117366W/W-100018)



Mukesh Jain
(Partner)

(Membership No.108262)
(UDIN: 21108262AAAATN7242)

Place: Mumbai
Date: September 29, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
1 Non-current assets			
a. Property, plant and equipment	3	905.93	843.73
b. Right-of-use asset	26.4	2,270.48	1,410.24
c. Goodwill		4,400.58	3,969.26
d. Other intangible assets	4	2,953.84	8,847.04
e. Financial assets	5	6,099.12	4,979.88
f. Loans and advances	5.1	175.00	-
g. Deferred tax asset	6	722.16	387.30
h. Non-current tax assets (net)		3,743.52	8,809.60
i. Other non-current assets	9	8.20	-
Total non-current assets		21,278.83	29,247.05
2 Current assets			
a. Financial assets			
i. Trade receivables	7	13,308.96	15,435.27
ii. Loans	5.1	2.00	2.11
iii. Cash and cash equivalents	8	4,912.32	7,788.77
iv. Bank balance other than (iii) above	8.1	6,685.37	4,719.35
v. Other financial assets	5	12,368.07	4,859.04
b. Current tax assets (net)		3,155.04	1,420.52
c. Other current assets	9	811.92	766.15
Total current assets		41,243.68	34,991.21
Total assets		62,522.51	64,238.26
Equity and liabilities			
Equity			
a. Equity share capital	10	7,221.91	7,221.91
b. Other equity	11	15,637.80	18,845.82
Total Equity		22,859.71	26,067.73
Liabilities			
1 Non-current liabilities			
a. Financial liabilities			
i. Borrowings	12	12.64	43.48
ii. Lease liability	26.5	1,641.44	891.63
iii. Other financial liabilities		1,402.77	1,585.12
b. Provision for gratuity	29	4,136.25	3,190.68
c. Deferred tax liability	6	1,814.16	1,386.84
Total non-current liabilities		9,007.26	7,097.75
2 Current liabilities			
a. Financial liabilities			
i. Borrowings	12	728.55	2,183.62
ii. Trade payables	13		
-Total outstanding dues of micro and small enterprises		120.45	0.18
-Total outstanding dues of creditors other than micro and small enterprises		1,721.13	1,439.90
iii. Lease liability	26.5	709.44	616.93
iv. Other financial liabilities	14	17,635.07	17,436.32
b. Provision for compensated absence		2,163.86	2,250.26
c. Other current liabilities	15	7,577.04	7,145.57
Total current liabilities		30,655.54	31,072.78
Total liabilities		39,662.80	38,170.53
Total equity and liabilities		62,522.51	64,238.26

Significant Accounting Policies
The accompanying notes are integral part of Financial statements

In terms of our report attached of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN No. : 117366W/W-100018

Mukesh Jain
Partner
Membership No. 108262



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

Sudhakar Balakrishnan
Director
DIN - 00062956

Satish Srinivasan
Chief Financial Officer

Nilay Pratik
Director
DIN - 07692750

Monali Pramod Joshi
Company Secretary
Membership No: A36428

Date : September 29, 2021
Place: Mumbai

Date : September 29, 2021
Place: Mumbai



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

	Particulars	Note No.	For the period ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	16	212,310.22	207,361.56
II	Other income	17	1,388.96	1,696.40
III	Total income (I + II)		213,699.18	209,057.96
IV	Expenses			
	Employee benefits expense	18	202,101.60	198,934.37
	Cost of material consumed and other subcontracting expense		60.73	49.30
	Payment to contractors		171.78	310.65
	Finance costs	19	291.22	185.90
	Depreciation and amortisation expense	20	7,654.75	7,595.59
	Other expenses	21	6,071.59	3,811.02
	Total expenses (IV)		216,351.67	210,886.83
V	Loss before tax (III - IV)		(2,652.49)	(1,828.87)
VI	Tax expenses	22		
	Current tax		345.20	198.92
	Reversal of tax relating to earlier years		(6.36)	(10.32)
	Deferred tax		143.17	(729.17)
	Total tax expense (VI)		482.01	(540.57)
VII	Loss for the year (V - VI)		(3,134.50)	(1,288.30)
VIII	Other comprehensive income			
	<u>Items that will not be reclassified to profit or loss</u>			
	- Re-measurement losses on defined benefit plans		(308.82)	(875.11)
	- Remeasurements of the defined benefit plans - Core		72.95	(93.11)
	- Income tax relating to items that will not be reclassified to profit or loss		60.50	243.68
IX	Total comprehensive loss for the year (VII + VIII)		(3,309.87)	(2,012.84)
	Earnings per equity share	23		
	Basic and diluted (in ₹)		(4.34)	(1.78)

Significant Accounting Policies

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The accompanying notes are integral part of Financial statements

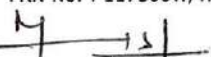
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Membership No. 108262

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


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DIN - 00062956


Nilay Pratik

Director

DIN - 07692750




Satish Srinivasan

Chief Financial Officer


Monali Pramod Joshi

Company Secretary

Membership No: A36428

Date : September 29, 2021

Place: Mumbai

Date : September 29, 2021

Place: Mumbai



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

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities		
Loss for the year	(2,652.49)	(1,828.87)
Adjustments for:		
Depreciation	7,654.75	7,595.59
Gain on account of early termination of leases	(22.04)	-
Interest Income on loans	(0.23)	(0.25)
Interest Income on security deposits	(25.76)	(20.60)
Interest on Income Tax Refund	(519.45)	(165.99)
Interest income on fixed deposits with banks	(471.15)	(497.46)
(Profit)/Loss on sale of property, plant and equipments (net)	31.71	(15.57)
Interest on loans from banks and financial institutions	93.95	45.36
Interest on lease liability	152.65	140.54
Liabilities Written Back	(122.62)	(83.39)
Dividend on investments in mutual funds	-	(0.93)
Provision for doubtful trade & other receivables	129.82	46.63
Expense on employee stock option scheme	101.86	54.86
Gain on fair valuation of put liability	(128.43)	(878.78)
Operating profit before working capital changes	4,222.57	4,391.14
Movements in working capital:		
(Increase)/ Decrease in assets :		
Trade and other receivables	2,041.50	(4,922.28)
Current and non current other financials assets	(8,615.81)	(132.37)
Other assets	(45.77)	54.06
Increase/ (Decrease) in liabilities :		
Trade and other payables	524.11	713.42
Provisions	623.32	1,129.96
Other current liabilities	431.47	491.88
Current and non current other financials liabilities	1,991.82	(11.76)
Cash generated from operations	1,173.21	1,714.05
Income taxes refund received/ (paid)	3,521.95	(4,099.38)
Net cash generated from/(used in) operating activities	4,695.16	(2,385.33)
Cash flows from investing activities		
Purchase of property, plant and equipments and intangibles including capital advances	(514.82)	(443.20)
Purchase consideration paid net of cash acquired	(2,922.00)	-
Sale of property, plant and equipments	114.12	31.39
Dividend on Investments	-	0.93
Loan given	(175.00)	-
Interest Income on loans	0.23	0.25
Bank deposits having original maturity of more than three months	(1,964.54)	(254.94)
Interest income on fixed deposits with banks	368.55	723.93
Net cash (used in)/generated from investing activities	(5,093.46)	58.36
Cash flows from financing activities		
Proceeds/(repayment) from borrowing	(1,485.95)	2,144.98
Payment of lease liability	(898.25)	(920.90)
Interest paid	(93.95)	(45.63)
Net cash (used in)/generated from financing activities	(2,478.15)	1,178.45
Net decrease in cash and cash equivalents	(2,876.45)	(1,148.52)
Cash and cash equivalents at the beginning of the year	7,788.77	8,937.29
Cash and cash equivalents at the end of the year (refer note 8)	4,912.32	7,788.77

Significant Accounting Policies

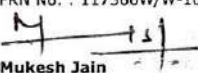
The accompanying notes are integral part of Financial statements

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

FRN No. : 117366W/W-100018


Mukesh Jain
 Partner

Membership No. 108262



Date : September 29, 2021
 Place: Mumbai



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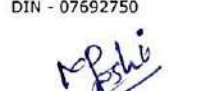
For and on behalf of the Board of Directors of
FirstMeridian Business Services Private Limited


Sudhakar Balakrishnan
 Director
 DIN - 00062956


Satish Srinivasan
 Chief Financial Officer

Date : September 29, 2021
 Place: Mumbai


Nilay Pratik
 Director
 DIN - 07692750


Monali Pramod Joshi
 Company Secretary
 Membership No: A36428

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

a. Equity share capital

Particulars	No. of shares	Amount
Balance as at March 31, 2019	72,219,134	7,221.91
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	72,219,134	7,221.91
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	72,219,134	7,221.91

b. Other equity

Particulars	Reserves & surplus (refer note 11)			Total
	Securities premium	Retained earnings	Stock options outstanding account	
Balance as at March 31, 2019	24,643.61	(3,839.81)	-	20,803.80
Share based payments	-	-	54.86	54.86
Other comprehensive loss for the year	-	(724.54)	-	(724.54)
Loss for the year	-	(1,288.30)	-	(1,288.30)
Balance as at March 31, 2020	24,643.61	(5,852.65)	54.86	18,845.82
Share based payments	-	-	101.85	101.85
Other comprehensive loss for the year	-	(175.37)	-	(175.37)
Loss for the year	-	(3,134.50)	-	(3,134.50)
Balance as at March 31, 2021	24,643.61	(9,162.52)	156.71	15,637.80

Significant Accounting Policies

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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

FRN No. : 117366W/W-100018


Mukesh Jain

Partner

Membership No. 108262

Date : September 29, 2021
Place: Mumbai



For and on behalf of the Board of Directors of
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
Membership No: A36428

Date : September 29, 2021
Place: Mumbai



FirstMeridian Business Services Private Limited

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

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

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

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 consolidated financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

Non-controlling interests (NCI):

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

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



A large, stylized handwritten signature in blue ink, possibly reading "Rahul".

A smaller handwritten signature in blue ink, possibly reading "M. P. Shrivastava".

A handwritten signature in blue ink, possibly reading "Nishu".

FirstMeridian Business Services Private Limited

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

2.1 Basis of preparation and measurement (Continued)

Non-controlling interests (NCI)(Continued..)

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

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

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



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FirstMeridian Business Services Private Limited

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

2.1 Basis of preparation and measurement (Continued)

Common control (Continued..)

are accounted using pooling of interest method. The consolidated financial statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee Company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

c. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

d. Presentation of financial statements

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

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



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FirstMeridian Business Services Private Limited

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

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

e. Operating cycle

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

f. Basis of measurement

Basis of accounting

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

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

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

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

- Financial instruments
- Share-based payment arrangements

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



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies

a. Property plant and equipment

Recognition and measurement:

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

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

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

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

Subsequent expenditure:

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

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

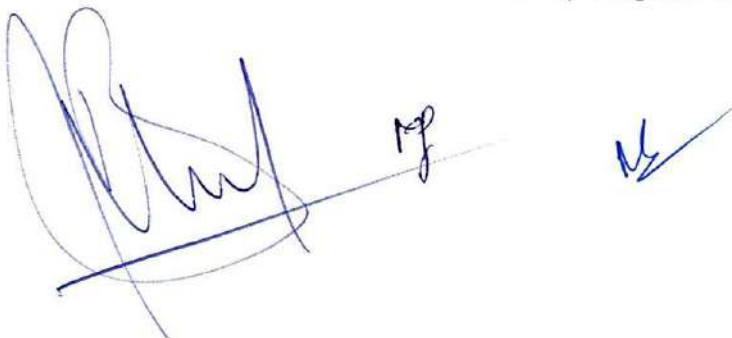
Depreciation:

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

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

Leasehold improvements are depreciated over the tenure of lease term.

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



FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

b. Intangible assets

Goodwill

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

Other Intangible assets:

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

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

Amortisation

Goodwill is not amortised and is tested for impairment annually.

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

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

Software- 3 years

Customer relationships- 3 years

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

c. Impairment of non-financial assets

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

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

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



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

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

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

d. Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- 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.



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

d. Financial instruments (Continued..)

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

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

All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognised in the 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 recognised in the consolidated statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive income.

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 derecognised (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.



FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

d. Financial instruments (Continued..)

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the 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 Company becomes a party to the contractual provisions of the instrument.

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

Subsequent measurement

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

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

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

Financial Liabilities at amortized cost:

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

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



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

d. Financial instruments (Continued..)

Derecognition

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

Offsetting of financial instruments

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

e. Cash and Cash Equivalents

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

f. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

g. Revenue recognition

The Group derives revenue primarily from staffing services, tech staffing services & recruitment and other services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

g. Revenue recognition (Continued..)

service to a customer. The method for recognising revenues and costs depends on the nature of the services rendered.

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

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

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

a) Staffing Services:

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

b) Tech staffing services

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

c) Recruitment and other services

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

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 consolidated statement of profit and loss on the date on which the Group's right to receive payment is established.



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

i. Borrowing costs

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

j. Employee benefits

(i). Short-term Employee benefits

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

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

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

(ii) Share-based payments

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met. An additional

expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(iii) Post-Employment Benefits

Defined Contribution Plans:

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



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

j. Employee benefits (Continued..)

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).

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 the consolidated statement of 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. Leases

As a Lessee:

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

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

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



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

I. Leases (Continued..)

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.



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

I. Leases (Continued..)

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

m. Income-tax

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

Current tax

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

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

Deferred tax

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

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

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



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

m. Income-tax (Continued..)

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.

n. Foreign currency

Foreign currency transactions:

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

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

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

o. Dividend

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

p. Earnings per share:

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

q. Cash Flow Statement

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

r. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources



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FirstMeridian Business Services Private Limited

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

2.2 Significant accounting policies (Continued)

r. Segment reporting (Continued..)

and assessing performance. The Group operates in one reportable business segment i.e. "Staffing services". The Group presently caters to only domestic market i.e. India and hence there is no revenue from external customers outside India.

s. Recent Pronouncements

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

Balance Sheet

- ❖ Lease liabilities should be separately disclosed under the head "financial liabilities", duly distinguished between current and non-current.
- ❖ Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of current reporting period.
- ❖ Specified format for disclosure of shareholding of promoters.
- ❖ Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.
- ❖ If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- ❖ Specific disclosure under 'additional regulatory requirement' such as compliance with approved scheme of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial positions (KMP) and related parties, details of benami properties etc.

Statement of profit and loss

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

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

t. Covid-19 pandemic related uncertainty:

Refer Note 36 in respect of disclosure relating to likely impact of Covid-19 on the consolidated future cash flows and going concern assessments made by the management.



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

Note 3: Property, Plant and Equipments

Description of assets	Data Processing Machines (Computer)	Furniture and fixtures	Office equipment	Vehicles	Leasehold Improvements	Building	Total
Gross block							
Balance as at April 01, 2019	489.68	238.08	411.49	156.98	67.70	-	1,400.63
Additions for the year	211.65	43.50	83.43	-	-	148.53	487.11
Disposals for the year	(23.12)	(18.18)	(23.99)	(17.87)	-	-	(94.27)
Balance as at March 31, 2020	678.21	263.40	470.93	139.11	67.70	148.53	1,793.47
Additions for the year	353.71	181.49	64.73	-	-	-	599.93
Assets acquired through business combination	2.64	0.09	1.26	-	-	-	3.99
Disposals for the year	(6.58)	(10.62)	(6.34)	-	-	(148.53)	(172.07)
Balance as at March 31, 2021	1,027.98	434.36	530.58	164.70	67.70	-	2,225.32
Accumulated depreciation							
Balance as at April 01, 2019	273.97	122.95	170.04	41.57	22.19	-	667.42
Depreciation expense for the year	153.60	41.81	111.97	35.59	12.32	5.78	361.07
Eliminated on disposal of assets for the year	(20.11)	(10.39)	(19.27)	(17.87)	-	-	(78.75)
Accumulated depreciation as at March 31, 2020	407.46	154.37	262.74	59.29	34.51	5.78	949.74
Depreciation expense for the year	190.08	54.98	101.56	32.98	10.72	5.57	395.89
Eliminated on disposal of assets for the year	(6.26)	(3.33)	(5.30)	-	-	(11.35)	(26.24)
Accumulated depreciation as at March 31, 2021	591.28	206.02	359.00	117.86	45.23	-	1,319.39
Net carrying amount as at March 31, 2021	436.70	228.34	171.58	46.84	22.47	-	905.93
Net carrying amount as at March 31, 2020	270.75	109.03	208.19	79.82	33.19	142.75	843.73



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

Note 4a: Goodwill

Particulars	Amount
Gross Block	
Balance as at April 01, 2019	-
Recognised on acquisition of subsidiary	3,969.26
Derecognised on disposal of subsidiary	-
Other changes	-
Balance as at March 31, 2020	3,969.26
Recognised on acquisition of subsidiary	246.26
Derecognised on disposal of subsidiary	-
Other changes*	185.06
Balance as at March 31, 2021	4,400.58
Accumulated impairment loss	
As at March 31, 2019	-
Impairment loss for the year	-
Eliminated on disposal of subsidiary	-
As at March 31, 2020	-
Impairment loss for the year	-
Eliminated on disposal of subsidiary	-
As at March 31, 2021	-
Net carrying amount as at March 31, 2021	4,400.58
Net carrying amount as at March 31, 2020	3,969.26

* The carrying amount of ₹ 185.06 lakhs (March 31, 2020 is ₹ Nil) is towards the goodwill generated on acquisition of the cornucopia division (Opharma, permanent recruitment & staffing) by VS Global Services Private Limited, a wholly owned subsidiary of FirstMeridian Business Services Private Limited as at March 31, 2021.

Note 4b: Other Intangible assets

Description of assets	Software Rights	Right to use Trademark	Customer Relationship	Intellectual Property	Total
Gross Block					
Balance as at April 01, 2019	351.79	432.45	18,809.14	178.65	19,772.03
Additions for the year	85.18	-	-	-	85.18
Disposals for the year	(1.64)	-	-	-	(1.64)
Balance as at March 31, 2020	435.33	432.45	18,809.14	178.65	19,855.57
Additions for the year	170.81	-	383.78	-	554.59
Balance as at March 31, 2021	606.14	432.45	19,192.92	178.65	20,410.16
Amortisation					
Accumulated amortisation as at April 01, 2019	234.34	86.50	4,093.62	178.65	4,593.11
Depreciation expense for the year	103.81	43.24	6,269.71	-	6,416.76
Eliminated on disposal of assets for the year	(1.34)	-	-	-	(1.34)
Accumulated amortisation as at March 31, 2020	336.81	129.74	10,363.33	178.65	11,008.53
Amortisation expense for the year	57.76	43.24	6,346.79	-	6,447.79
Accumulated amortisation as at March 31, 2021	394.57	172.98	16,710.12	178.65	17,456.32
Net carrying amount as at March 31, 2021	211.57	259.47	2,482.80	-	2,953.84
Net carrying amount as at March 31, 2020	98.52	302.71	8,445.81	-	8,847.04



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5 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current		
Unsecured, considered good		
Deposit for premises	694.30	471.44
Less:- Provision for doubtful deposits	(182.12)	(152.21)
	512.18	319.23
Fixed Deposits with remaining maturity of more than 12 months (from reporting date)	-	1.49
Unbilled revenue towards reimbursable gratuity and compensated absences	5,586.94	4,659.16
Total	6,099.12	4,979.88
Current		
Advance to Employees		
- considered good	205.10	69.25
- considered doubtful	23.33	8.23
Less:- Provision for doubtful advance	(23.33)	(8.23)
	205.10	69.25
Deposits for premises (Unsecured, considered good)	9.12	-
Other receivable (Unsecured, considered good)	100.00	-
Accrued interest on fixed deposits	103.42	0.72
Interest accrued but not due	19.91	0.11
Interest receivable on income tax refund	-	11.97
Unbilled revenue	11,930.52	4,776.99
Total	12,368.07	4,859.04

5.1 Loans & advances

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current		
Unsecured, considered good		
Advance against share purchase* (refer note 5.2)	175.00	-
Total	175.00	-
Current		
Unsecured, considered good		
Staff loans	2.00	2.11
Total	2.00	2.11

5.2 * As per the advance agreement dated October 31, 2020, the Group has made a payment of ₹ 175 lakhs to one of the shareholder, which would be adjusted against the acquisition of remaining shares of one of the subsidiary (Affluent Global Services Private limited) at a future date as per the respective shareholder's agreement.

6 Deferred tax

6.1 Closing deferred tax balances:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax asset	722.16	387.30
Deferred tax liability	(1,814.16)	(1,386.84)
Deferred tax liability (net)	(1,092.00)	(999.54)

6.2 Movement in deferred tax balances

Particulars	For the period ended March 31, 2021				
	Opening balance	Created on account of business combination	Recognised in profit and Loss	Recognised in OCI	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Provision for employee benefits	1,468.88	23.15	74.92	60.50	1,627.45
Property, plant and equipment	(937.09)	3.51	(947.48)	-	(1,881.06)
Provision for rent escalation	13.00	-	(6.06)	-	6.94
Provision for doubtful debts	158.00	22.00	46.28	-	226.28
Unbilled revenue	(674.27)	-	(216.22)	-	(890.49)
Unabsorbed losses	-	-	12.81	-	12.81
Deduction of Section 80JJAA	251.68	-	100.67	-	352.35
Provision for Bonus	4.96	-	9.27	-	14.23
Ind AS 115 transition	8.91	(1.50)	3.54	-	10.95
Customer Relationship	(1,294.43)	(56.99)	756.08	-	(595.34)
Others	0.82	0.00	23.06	0.00	23.88
Net deferred tax liabilities	(999.54)	(9.83)	(143.14)	60.50	(1,092.00)

6.3 Movement in deferred tax balances

Particulars	For the year ended March 31, 2020				
	Opening balance	Created on account of Business combination	Recognised in profit and Loss	Recognised in OCI	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Provision for employee benefits	1,432.35	-	(207.15)	243.68	1,468.88
Property, plant and equipment	(883.86)	-	(53.23)	-	(937.09)
Provision for rent escalation	21.00	-	(8.00)	-	13.00
Provision for doubtful debts	229.25	-	(71.25)	-	158.00
Unbilled revenue	(622.09)	-	(52.18)	-	(674.27)
Deduction of Section 80JJAA	-	-	251.68	-	251.68
MAT credit entitlement	397.31	-	(397.31)	-	-
Provision for Bonus	3.91	-	1.05	-	4.96
Ind AS 115 transition	5.77	-	3.14	-	8.91
Customer Relationship	(2,562.29)	-	1,267.86	-	(1,294.43)
Others	6.26	-	(5.44)	-	0.82
Net deferred tax asset/(liabilities)	(1,972.39)	-	729.18	243.68	(999.54)



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

7 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	13,308.96	15,435.27
Unsecured, considered doubtful	671.77	522.21
Less: Allowance for doubtful debts (expected credit loss allowances)	(671.77)	(522.21)
Total	13,308.96	15,435.27

7.1 Movement of allowance of doubtful receivables

Particulars	Amount
Balance as at April 01, 2019	574.83
Allowance for doubtful debts	(52.62)
Balance as at March 31, 2020	522.21
Addition on account of business combination	86.67
Bad debts w/off and provision created	62.89
Balance as at March 31, 2021	671.77

7.2 The average credit period is 0-90 days. No interest is charged on trade receivables.

8 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current account	1,044.85	1,378.21
- In other deposit accounts - original maturity of three months or less	3,867.47	6,410.56
Total	4,912.32	7,788.77

8.1 Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity of more than 3 months and less than 12 months	6,685.37	4,719.35
Total	6,685.37	4,719.35

9 Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current		
Capital advances (Unsecured, considered good)	8.20	-
Total	8.20	-
Current		
Prepaid Expenses (Unsecured, considered good)	463.88	321.28
Security Deposit (Unsecured, considered good)	190.68	229.97
Balances with Government authorities	4.81	70.71
Advance to Suppliers		
- considered good	39.67	101.45
- considered doubtful	15.76	-
Less: Provision for doubtful advance	(15.76)	-
	39.67	101.45
Other receivables		
- considered good	112.88	42.74
- considered doubtful	26.98	20.78
Less: Provision for unrealisable assets	(26.98)	(20.78)
	112.88	42.74
Total	811.92	766.15



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10 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
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

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

Particulars	Numbers	Amount
As at the end of the year 31st March 2019	72,219,134	7,221.91
Add:- additional shares issued during the year	-	-
As at the end of the year 31st March 2020	72,219,134	7,221.91
Add:- additional shares issued during the year	-	-
As at the end of the year 31st March 2021	72,219,134	7,221.91

10.2 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.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fully paid equity shares		
Manpower Solutions Limited (Holding Company)	64,276,359	64,276,359
% Holding	89.00%	89.00%
New Lane Trading LLP	4,548,532	4,548,532
% Holding	6.30%	6.30%

11 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account	24,643.61	24,643.61
Retained earnings	(9,162.52)	(5,852.65)
Stock options outstanding account	156.71	54.86
Total	15,637.80	18,845.82

11.1 Securities premium

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

11.2 Stock options outstanding account

The reserve related to share options granted by Company to its employees share option plan. Further information about share based payments to employee is set out in note 33

11.3 Retained earnings

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



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12 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current:		
Vehicle loans	43.52	70.62
Less: Current maturity of long term loans	(30.88)	(27.14)
Total	12.64	43.48
Current:		
Loan repayable on demand from bank	728.55	2,183.62
	728.55	2,183.62

12.1 Terms of borrowings

(i) Vehicle Loan of Rs. 2.43 lakhs as at March 31, 2021 (March 31, 2020: 5.19 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. 37.64 lakhs as at March 31, 2021 (March 31, 2020: 59.05 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. 3.45 lakhs as at March 31, 2021 (March 31, 2020: 6.38 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.

12.2 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

13 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
-Total outstanding dues of micro and small enterprises (refer note 25)	120.45	0.18
-Total outstanding dues of creditors other than micro and small enterprises	1,721.13	1,439.90
Total	1,841.58	1,440.08

14 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturity of long term loan (refer note no 12)	30.88	27.14
Employee benefits payable	9,972.65	9,571.69
Security deposits payable	28.30	54.89
Interest accrued but not due	4.30	0.44
Accrued compensation to employees	6,422.60	5,370.35
Contingent Consideration	388.08	-
Other current liabilities	788.26	564.81
Put Option Liability against purchase of NCI share	-	1,847.00
Total	17,635.07	17,436.32

15 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory liabilities	7,300.35	6,771.22
Advance from Customer	245.20	117.01
Others	31.49	257.34
Total	7,577.04	7,145.57



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16 Revenue from operations

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Sale of services	212,001.40	206,486.44
Sale of services (recoverable gratuity corresponding expense routed through OCI)	308.82	875.12
Total	212,310.22	207,361.56

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted price with the customers	212,241.39	207,481.41
Add / (Less): Discounts, rebates, refunds, credits, price concessions	68.83	(119.85)
Revenue from contracts with customers (as per Statement of Profit and Loss)	212,310.22	207,361.56

17 Other Income

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Interest income on:		
- Bank deposits (at amortised cost)	471.15	497.46
- Income tax refund	519.45	165.99
Staff Loan	0.23	0.25
- Security deposits	25.76	20.60
Dividend on mutual funds	-	0.93
Gain on account of early termination of leases	22.04	-
Gain on disposal of property, plant and equipment	-	15.57
Provision no longer required	122.62	83.39
Net gain arising on fair valuation of put liability	128.43	878.78
Miscellaneous income	99.28	33.43
Total	1,388.96	1,696.40

18 Employee benefits expenses

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	184,086.70	180,322.41
Contribution to provident and other funds (refer note 29)	12,767.45	12,748.27
Gratuity (refer note 29)	1,104.56	732.77
Staff welfare expenses	4,041.04	5,076.06
Expense on employee stock option scheme (refer note 33)	101.85	54.86
Total	202,101.60	198,934.37

19 Finance Costs

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	93.95	45.36
Interest on lease liability (refer note 26)	152.65	140.54
Others	44.62	-
Total	291.22	185.90



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20 Depreciation and amortisation expense

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Depreciation of property, plant and equipment	395.89	361.07
Depreciation of right-of-use asset (refer note 26)	811.07	817.76
Amortisation of intangible assets	6,447.79	6,416.76
Total	7,654.75	7,595.59

21 Other expenses

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Auditor's remuneration (refer note 21.1)	93.36	74.66
Bad debts and other receivables written off	4.34	-
Communication expenses	248.30	284.10
Power and fuel	162.32	233.31
Rent	377.27	472.99
Repairs & Maintenance	255.23	205.10
Insurance	34.73	43.14
Rates & Taxes	66.86	33.43
Provision for doubtful trade and other receivables	129.82	46.63
Professional and consultancy fees	2,606.96	944.51
Recruitment and training expenses	157.85	209.44
Loss on disposal of property, plant and equipment	31.71	-
Printing & Stationary	114.77	178.71
Subcontracting charges	1,163.63	478.06
Travelling and conveyance	149.86	335.79
Foreign exchange differences (net)	0.52	-
Expense towards corporate social responsibility (refer note 21.2)	104.54	44.69
Miscellaneous expenses	369.52	226.46
Total	6,071.59	3,811.02

21.1 Payments to auditors

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
a) For statutory audit	54.77	42.25
b) For tax audit	9.17	6.25
c) For other services	29.42	26.16
Total	93.36	74.66

21.2 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds required to be spent and actually incurred as at March 31, 2021 ₹ 104.54 (March 31, 2020 ₹ 44.69).



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22 Tax Expense

22.1 Income tax expenses reconciliation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax:		
Profit before tax	(2,652.49)	(1,828.87)
Income tax rate (incl. surcharge)	25.17%	25.17%
Income tax expense calculated (incl. surcharge)	(667.58)	(460.29)
Deferred tax asset not recognised	6.76	70.28
Impact due to amount transferred to OCI	-	-
Effects of expenses that are not deductible in determining taxable profits	110.48	42.12
Deferred tax reversal on goodwill	905.38	-
Exempt income	-	(0.23)
80JJAA tax incentives	(422.00)	(677.75)
Excess provision of tax in earlier years adjusted against 80JJAA	(197.99)	-
Net effect of deferred tax liability created for earlier years	751.95	-
Effect of deferred tax of transferee company of earlier years created on account of merger	-	(18.98)
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	(6.36)	(10.32)
Impact of change in tax rate	-	117.62
Others	1.40	(0.33)
Income tax expenses recognised in the Statement of profit and loss	482.05	(540.57)

22.2 Deferred Tax

The Group has not recognised deferred tax asset, of ₹ 6.76 lakhs for the year ended March 31, 2021 (₹ 70.28 lakhs for the year ended March 31, 2020), 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.

23 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, 2021	For the year ended March 31, 2020
Profit for the year attributable to owners of the Group	(3,134.50)	(1,288.30)
Nominal value of each equity shares	10.00	10.00
Weighted average number of equity shares	72,219,134	72,219,134
Basic and Diluted earnings per share (₹)	(4.34)	(1.78)



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24 Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims not acknowledged as debts (refer note 24.1)	179.19	137.85

24.1 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.

24.2 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.

24.3 Capital commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.20	-

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	107.22	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7.52	0.18
(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	5.71	-
(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 average credit period of trade payables is 30-45 days. No interest is charged by vendors.

26 Leases

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

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

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



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

Particulars	Category of ROU		Total
	Office Space	Furniture & Fittings	
Balance as at 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 at March 31, 2020	1,406.18	4.06	1,410.24
Balance as at April 1, 2020	1,406.18	4.06	1,410.24
Additions	1,903.17	-	1,903.17
Depreciation	(809.21)	(1.86)	(811.07)
Deletions	(231.85)	-	(231.85)
Balance as at March 31, 2021	2,268.28	2.20	2,270.48

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

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease liabilities	709.44	616.93
Non-current lease liabilities	1,641.44	891.63
Total	2,350.88	1,508.56

26.5 The following is the movement in lease liabilities:

Particulars	Amount
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
Balance as of April 1, 2020	1,508.56
Additions	1,841.80
Deletions	(253.88)
Finance cost accrued during the period	152.65
Payment of lease liabilities	(898.25)
Balance as of March 31, 2021	2,350.88

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

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	860.90	722.97
Later than 1 year and not later than 5 years	1,802.57	960.95
Later than 5 years	43.17	24.11
Total	2,706.64	1,708.03

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.

26.7 Amounts recognised in profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation expense on right-of-use assets	811.07	817.76
Interest expense on lease liabilities	152.65	140.54
Expense relating to short-term leases	377.27	472.99
Expense relating to leases of low value assets	-	-

Total cashflow's disclosure :

The total cash outflow for leases is ₹ 1,275.52 Lakhs and ₹ 1,393.89 Lakhs for the year ended March 31, 2021 and 2020 , respectively (includes cash outflow from short term and long term leases).



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27 Related parties transactions

27.1 Names of the related parties and related party relationships

Particulars	Relationship
Manpower Solutions Limited (Mauritius)	Holding company
Innovsource Services Private Limited	Fellow Subsidiary
Innovsource Facilities Private Limited	Fellow Subsidiary
V5 Global Services Private Limited	Fellow subsidiary
Affluent Global Services Private Limited	Fellow subsidiary
Linktag Global Services Private Limited	Fellow Subsidiary
CBSI India Private Limited (w.e.f. September 29, 2020)	Fellow Subsidiary
Key Management Personnel	
Sudhakar Balakrishnan	Director
Bandaru Venkalah Naidu	Non-executive director
Ankur Vidyasagar Gulati	Non-executive director
Manish Mehta	Non-executive director
Niladri Mukhopadhyay	Non-executive director
Nilay Pratik	Non-executive director
Jiten Umesh Poojara	Non-executive director
Satya Prasan Rajguru	Managing Director
Shallesh Narayanrao Ardhapurkar	Managing Director
Satish Srinivasan	Chief Financial Officer
Amit Chitale (w.e.f June 01, 2020)	Chief Financial Officer
Tejas Sanghvi (till May 31, 2020)	Chief Financial Officer
Sanjay Gupta	Chief Financial Officer
Monali Pramod Joshi	Company Secretary
Relative of Key Managerial Person "KMP"	
Ira Dash Rajguru	Relative of KMP
Archana Shallesh Ardhapur	Relative of KMP

27.2 Details of related party transactions

Particulars	As at March 31, 2021	As at March 31, 2020
Remuneration to KMP *	503.75	1,002.72
Remuneration to relative of KMP *	78.60	185.71
Reimbursement of expenses to KMP	8.57	27.39
Consultancy charges paid to KMP	62.50	-
Consultancy charges paid to relative of KMP	13.65	-

27.3 Details of related party closing balances

Particulars	As at March 31, 2021	As at March 31, 2020
Accrued Compensation to KMP	-	94.26
Accrued Reimbursement of KMP expenses of Subsidiaries	1.46	13.14
Trade payable to KMP of Subsidiaries	5.52	-

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



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28 Segment information

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of Group and allocates resources based on the analysis of various performance indicators of the Group. The CODM has identified "Staffing and allied Service" as operating segment. All the activities of the Group are revolving around Staffing and allied Services including facility management. The Group presently caters to only domestic market i.e. India and hence there is no revenue from external customers outside India.

Information about major customers

Included in revenues are revenues of approximately ₹ 21,556.09 Lakhs (2019-20: ₹ 26,049.30 Lakhs) which arose from sales to the Group's largest customer. No other customer contributed 10 per cent or more to the Group's revenue in either 2021 or 2020.

29 Employee benefits

i) Defined Contribution Plan

The Group's contribution to Provident fund and other funds aggregating during the period ended March 31, 2021 is ₹ 12,767.45 Lakhs (and during the year ended 31 March 2020: ₹ 12,748.27 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 Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Salary risk:

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

(2) Interest rate risk

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

(3) Investment Risk:

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

(4) Longevity Risk:

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

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

Particulars	Valuation as at	
	As at March 31, 2021	As at March 31, 2020
(i). Financial assumptions		
Discount rate (p.a.)	3.82% - 6.92%	4.36% - 6.68%
Salary escalation rate (p.a.)	2.62% - 10%	3.38% - 7%
Rate of employee turnover (p.a.)	For service 5 years and below is 35% to 47% p.a. & For service 5 years and above is 5% to 6% p.a.	Below 5 years 46% p.a. & For service 5 years and above is 7% to 7% p.a.
(ii). Demographic assumptions		
Mortality rate	IALM 2012-14	IALM 2012-14

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

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	895.79	610.07
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	168.11	122.70
Components of defined benefit costs recognised in profit or loss	1,063.90	732.77
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from changes in financial assumptions	(364.58)	726.94
Actuarial loss / (gains) arising from changes in demographic assumptions	171.07	(121.16)
Actuarial loss arising from experience adjustments	429.55	362.14
Return on plan assets (excluding amount included in net interest expense)	(0.17)	0.30
Components of defined benefit costs recognised in other comprehensive income	235.87	968.22
Total	1,299.77	1,700.99

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
- ii) The remeasurement of the net defined benefits liability is included in other comprehensive income for the year ended March 31, 2021 and for the year ended March 31, 2020.
- iii) Gratuity expense as per Note 18 includes an amount of ₹ 40.66 lakhs on account of full and final settlement pending as on March 31, 2021 of employees left during the year.



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29 Employee benefits (Continued..)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of benefit obligation at the end of the year	4,117.33	3,223.22
Fair value of plan assets at the end of the year	(21.77)	(32.54)
Unfunded status -Surplus/ (Deficit)	4,095.56	3,190.68

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening of defined benefit obligation	3,223.22	2,145.31
Additions on account of business combination	34.66	-
Current service cost	895.79	610.08
Interest on defined benefit obligation	169.77	125.95
Remeasurements due to:	-	-
Actuarial (gains)/loss arising from changes in financial assumptions	(364.58)	726.94
Actuarial loss / (gains) arising from changes in demographic assumptions	171.07	(121.16)
Actuarial loss arising from experience adjustments	429.55	362.14
Transfer Adjustments	38.12	-
Benefits paid	(480.27)	(626.05)
Closing of defined benefit obligation	4,117.33	3,223.21

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening fair value of plan assets	32.54	57.67
Employer contribution	2.56	2.07
Interest on plan assets	1.66	3.26
Return on plan assets (excluding interest income)	0.17	(0.30)
Transfer adjustments	-	-
Benefits paid	(15.16)	(30.16)
Closing of fair value of plan assets	21.77	32.54

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

Particulars	As at March 31, 2021	As at March 31, 2020
Trust managed/insurer managed funds	100%	100%
Total	100%	100%

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%.

Core Employees

Principal assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption
a) Discount rate		
As at March 31, 2021 (with 1% Change)	(22.56)	19.89
As at March 31, 2020 (with 1% Change)	(31.97)	52.21
b) Salary Escalation Rate		
As at March 31, 2021 (with 1% Change)	25.35	(17.93)
As at March 31, 2020 (with 1% Change)	38.73	(18.94)
c) Employee Turnover Rate		
As at March 31, 2021 (with 25% Change)	(38.34)	60.10
As at March 31, 2020 (with 25 % Change)	(21.60)	58.26

Associate Employees

Principal assumption	Impact on defined benefit obligation	
	Increase in assumption	Decrease in assumption
a) Discount rate		
As at March 31, 2021 (with 1% Change)	(349.68)	421.71
As at March 31, 2020 (with 1% Change)	(385.35)	343.75
b) Salary Escalation Rate		
As at March 31, 2021 (with 1% Change)	425.52	(358.29)
As at March 31, 2020 (with 1% Change)	336.27	(391.67)
c) Employee Turnover Rate		
As at March 31, 2021 (with 25% Change)	(319.60)	460.72
As at March 31, 2020 (with 25 % Change)	(233.78)	317.89

Notes:

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

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, 2021	As at March 31, 2020
Within 1 Year	381.87	350.56
2-5 years	1,254.45	869.61
6-10 years	1,132.37	947.39
11 years and above	5,417.30	4,350.23



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30 Financial instruments

30.1 Financial instruments by category

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

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortised cost		
Non-Current		
Other financial assets	6,099.12	4,979.88
Current		
Cash and cash equivalents	4,912.32	7,788.77
Trade receivables	13,308.96	15,435.27
Other financial assets	6,685.37	4,719.35
Loans	2.00	2.11
Other bank balances	12,368.07	4,859.04
Financial Liabilities measured at amortised cost		
Non-Current		
Borrowings	12.64	43.48
Lease liabilities	1,641.44	891.63
Other financial liabilities	1,402.77	1,585.12
Current		
Borrowings	728.55	2,183.62
Lease liabilities	709.44	616.93
Trade payables	1,841.58	1,440.08
Other financial liabilities	17,635.07	17,436.32

Note :-

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

30.2 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 Group.

30.3 Financial risk management objectives

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

A. Credit risk

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

B. Liquidity risk

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



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30 Financial instruments (Cont.)

Maturities of financial liabilities

Table showing maturity profile of non-derivative financial liabilities:

(Excludes maturity analyses of lease liabilities which has been disclosed in Note 26 of the financial statements)

Particulars	Upto One year	1-5 years	Total
March 31, 2021			
Borrowing	728.55	12.64	741.19
Trade payables	1,841.58	-	1,841.58
Other financial liabilities	17,635.07	-	17,635.07
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

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



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31 Subsidiaries acquired/ businesses acquired

Name of acquiree	Principal activity	Place of incorporation and operation	Acquisition date	% of Beneficiary equity interest	% of voting equity interest at the time of acquisition	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 (Refer note 31.1)	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%	5,254.67
Affluent Global Services Private Limited (Refer note 31.2)	Technology Services	India	September 17, 2018	100%	73%	6,456.91
Linktag Global Services Private Limited	Technology Services	India	September 17, 2018	100%	73%	6,456.91
CBSI India Private Limited (Refer note 31.3)	IT enabled Services	India	September 29, 2020	100%	100%	1,075.00

31.1 During the current year, the Group has acquired remaining 24% equity interest in V5 Global Services Private Limited for a consideration of ₹ 1,900.92 lakhs

31.2 During the current year, as per the settlement agreement dated August 17, 2020, 8.33% of the shares of Affluent Global Services Private Limited were transferred from the existing shareholders to the Group. Further, the Group is committed to acquire the remaining shares in Affluent at a future date as per the respective shareholder's agreement.

31.3 The Group has during the period ended September 30, 2020, acquired 100% shareholding of CBSI India Private Limited (CBSI) at ₹ 1175 lakhs. However, as per the share purchase agreement, the consideration of ₹ 100 lakhs was subject to continuation of one of the senior management of the CBSI till September 20, 2021. Since, the said executive had resigned on January 15, 2021, the purchase consideration has been adjusted accordingly.

31.4 Consideration transferred at the time of acquisition

Particulars	Innovsource Facilities Private Limited	Innovsource Services Private Limited	V5 Global Services Private Limited	Affluent Global Services Private Limited	CBSI India Private Limited
Cash	933.06	12,549.94	5,254.67	4,953.26	1,075.00
Issue of Shares	-	-	-	1,503.65	-
Contingent consideration arrangement (Refer note 31.5)	330.00	330.00	-	-	-

31.5 In respect of the cost of Investments in Innovsource Services and Innovsource Facilities, contingent consideration amount of ₹ 3.30 Crore per sponsor for two sponsors is waived off as per waiver agreement dated October 18, 2020 with both sponsors.

31.6 Acquisition cost
Acquisition-related costs amounting to ₹ 25 Lakhs 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.



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31 Subsidiaries acquired/ businesses acquired (Continued..)

31.7 Assets acquired and liabilities recognised at the date of acquisition

Particular	Innovsource Services Private Limited	Innovsource Facilities Private Limited	V5 Global Services Private Limited	Affluent Global Services Private Limited	CBSI India Private Limited
Current assets					
Cash and cash equivalents	2,005	601.09	2,243.83	429.47	340.09
Bank balance other than above	-	-	-	6.42	-
Trade and other receivables	9,239	514.59	2,644.74	990.22	450.75
Other financial assets	2,529	68.59	716.25	490.11	559.40
Other current assets	164	13.52	70.00	35.82	22.90
	13,938.22	1,197.79	5,674.82	1,952.04	1,373.14
Non-current assets					
Plant and equipment	494.69	0.22	196.57	52.76	3.99
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	-	-
CWIP	-	-	137.66	-	-
Deferred tax assets (net)	51.12	12.04	675.41	46.95	47.17
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)	-	-	-	176.30	150.25
	12,165.16	191.17	3,003.36	721.47	201.41
Current liabilities					
Trade and other payables	77.27	156.62	83.63	180.20	568.25
Other current liabilities	3,168.91	158.49	1,273.37	245.31	91.33
Other financial liabilities	9,087.21	414.66	3,163.36	192.88	163.69
Provisions	257.05	19.77	241.83	8.56	43.84
	12,590.44	749.54	4,762.19	626.95	867.11
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	48.15
	1,659.99	79.74	417.03	354.92	48.15
Net assets acquired	11,852.95	559.68	3,498.96	1,691.64	659.30
Revenue for the period ended	102,325.06	3,823.05	32,870.63	2,711.64	2,745.60
Expenses for the period ended	101,421.09	3,940.37	32,511.33	2,472.64	2,423.32
Profit / (Loss) before tax for the period ended	903.97	(117.32)	359.30	239.00	322.28
Profit / (Loss) after tax for the period ended	664.60	(57.92)	(12.70)	189.77	248.13

31.8 Goodwill arising on acquisition

Particulars	Innovsource Services Private Limited	Innovsource Facilities Private Limited	V5 Global Services Private Limited	Affluent Global Services Private Limited	CBSI India Private Limited
Total purchase consideration paid:	12,549.94	933.06	5,254.67	6,456.91	1,075.00
NCI Put Option Liability	-	-	1,603.64	2,586.99	-
Less :					
Net assets acquired	4,314.57	423.76	3,498.96	1,542.64	659.30
Value Attributable To Client Relationship	7,776.67	478.47	3,250.00	7,304.00	226.43
NTL on Client Relationship	-	99.76	946.40	2,126.92	56.99
Client Relationship (Net of taxes)	7,776.67	378.71	2,303.60	5,177.08	169.44
Goodwill	458.70	130.59	1,055.75	2,324.19	246.26

31.9 Goodwill on consolidation

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	3,969.23	-
Add: On acquisition of subsidiaries during the year	246.26	3,969.23
Total	4,215.49	3,969.23

31.10 Net cash outflow on acquisition of business

Particulars	Amount
Consideration paid in cash	24,765.93
Less: cash and cash equivalent balances acquired	5,619.91
Total	19,146.02



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

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

Particulars	As on March 31, 2021						As on March 31, 2020					
	Net Assets (Net of Elimination)		Share in Profit/(Loss)		Share in OCI		Net Assets		Share in Profit/(Loss)		Share in OCI	
	As a % of consolidated net assets	Net Assets/(Liabilities)	As a % of consolidated net loss	Net loss	As a % of consolidated net loss	Net loss	As a % of consolidated net assets	Net Assets/(Liabilities)	As a % of consolidated net loss	Net loss	As a % of consolidated net loss	Net loss
Parent Company												
First Meridian	30.6%	6,988.46	228.2%	(7,153.45)	(2.6%)	4.54	48%	12,432.16	417.5%	(5,378.30)	0.6%	(4.59)
Subsidiaries - Indian												
Innovsource Services Private Limited	27.6%	6,298.46	(31.4%)	984.61	2.8%	(4.86)	25%	6,522.78	(189.3%)	2,438.22	86.7%	(528.29)
Innovsource Facilities Private Limited	0.9%	211.11	3.5%	(108.79)	(28.1%)	49.25	1%	312.63	(3.2%)	40.72	1.6%	(11.48)
V5 Global Services Private Limited	23.8%	5,437.13	(62.5%)	1,959.16	147.2%	(258.13)	18%	4,564.92	(75.1%)	968.00	11.0%	(79.38)
Affluent Global Services Private Limited	13.7%	3,130.40	(33.7%)	1,056.55	(15.7%)	27.55	9%	2,235.24	(49.9%)	643.06	0.1%	(0.80)
CBSI India Private Limited	3.5%	794.15	(4.1%)	127.42	(3.6%)	6.29						
Total	100.0%	22,859.71	100.0%	(3,134.50)	100.0%	(175.37)	100%	26,067.73	100.0%	(1,288.30)	100.0%	(724.54)



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33 Employee Stock Option Scheme (ESOS)

The Group vide meeting dated April 03, 2019 held by the Board of Governance and Remuneration Committee, has during the year ended March 31, 2021 granted 3,82,976 (Previous year ended March 31, 2020 - 2,93,572) stock options under the scheme - First Meridian Business Private Limited - Employee Stock Option Scheme 2019 (ESOP 2019) to the eligible employees of the Group. The options allotted under the scheme are convertible into equal number of equity shares of the face value of ₹ 10 each. The scheme shall be implemented through the ESOP Trust. The ESOP Trust shall be authorized to acquire equity shares of the Group. The Group is in the process of formation of the Trust in this regard.

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, 2021 and 31 March, 2020. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
Options granted under ESOS				
Options outstanding at the beginning of the year	293,572	46.88	-	-
Options granted during the year	382,976	46.17	293,572	46.88
Options forfeited during the year	15,312	46.74	-	-
Options outstanding at the end of the year	661,236	46.47	293,572	-
Options exercisable at the end of the year	-	-	-	-
Range of exercise price of outstanding options (₹)	-	-	-	-
Remaining contractual life of outstanding options (years)	6	-	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	On the date of Grant
	Tranche 2	Tranche I
Dividend yield (%)	0%	0%
Expected life	7	7
Risk free interest rate (%)	6.20%	6.98%
Volatility (%)	51.00%	35.68%
Fair Value	46.17	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.

- 34** During the current year, V5 Global Services Private Limited and Infield Infotech Private Limited the wholly owned subsidiary of V5 Global services Private Limited, were merged based on the basis of Regional Director ("RD") order dated February 02, 2021 and has become effective from February 22, 2021, being the date on which the certified copy of the order of the RD was filed with the Registrar of Companies. As per the scheme of arrangement and amalgamation, the appointed date was April 1, 2019 due to which the Group has considered the merged financial statements for comparative figures of FY 2019-20, in the consolidated financial statements of the current financial year 2020-21. The merged financial statements were approved by the board on May 31, 2021.
- 35** 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 Group 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 Group is of the view that the carrying amounts of the assets will be realized. The impact of COVID-19 on the Group's financial statements may be different from that estimated as at the date of approval of these financial statements, and the Group will continue to closely monitor the developments.
- 36** There are no events after balance sheet date.

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
 Membership No: A36428

Date : September 29, 2021
 Place: Mumbai

