



Independent Auditor's Report

To the Members of M/s. HLF Services Limited

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **HLF Services Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

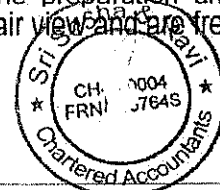
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Responsibility of Management for the Standalone Financial Statements

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



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

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

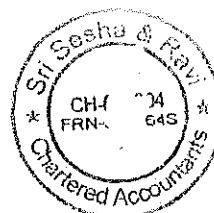
Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Report on Other Legal and Regulatory Requirements

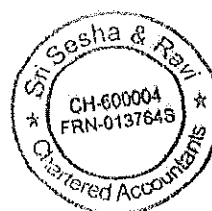
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Sri Sesha and Ravi**
Chartered Accountants
Firm Registration No. 013764S

Place: Chennai
Date: 21/05/2019



R.Srivathsan
Partner
Membership No.229983

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The company does not have any fixed assets and hence reporting under clause 3(i)(b) of the Order is not applicable to the Company.

(c) The company does not hold any immovable properties in its name and hence clause 3(i)(c) is not applicable.

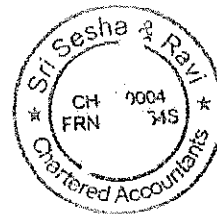
2) The company being engaged in manpower supply service does not have any inventories and hence clause 3(ii) is not applicable.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) The provisions regarding maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company and hence not applicable to the company.



7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable except for **Provident Fund (Employees' Provident Funds and Miscellaneous Provident Act, 1952) dues amounting to Rs.52,04,148 relating to the period March 2018 to September 2018 (Refer Note No.1.12 to the financial statements).**

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures during the year.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

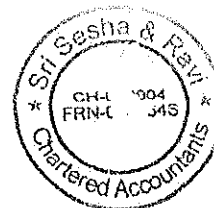
10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

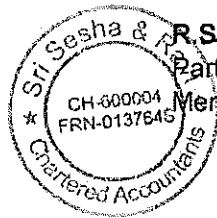


15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Sri Sesha and Ravi**
Chartered Accountants
Firm Registration No. 013764S

Place: Chennai
Date: 21/05/2019



R. Srivathsan
Partner
Membership No. 229983

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of HLF Services Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HLF Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

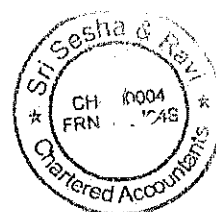
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

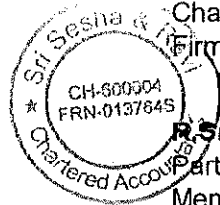
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: 21/05/2019



For **Sri Sesa and Ravi**
Chartered Accountants
Firm Registration No. 013764S

R. Srivathsan
Partner
Membership No.229983

HLF Services Limited
Balance Sheet as at March 31, 2019

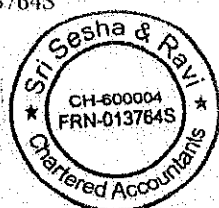
	Note No.	As at March 31, 2019	(in INR) As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	-	-
Capital work-in-progress	1.1	-	-
Intangible assets	1.1	-	1,611
Non-current Tax assets (net)	1.2	9,14,74,775	6,39,46,375
		<u>9,14,74,775</u>	<u>6,39,47,986</u>
Current assets			
Financial Assets			
(i) Trade Receivables	1.3	1,10,67,15,635	72,49,86,044
(ii) Cash and cash equivalents	1.4	21,37,60,450	6,66,84,167
(iii) Bank balances other than (ii) above	1.4A	94,73,957	89,80,217
(iv) Other financial assets	1.5	3,02,431	4,54,688
Other current assets	1.6	76,21,189	56,77,696
		<u>1,33,78,73,661</u>	<u>80,67,82,813</u>
TOTAL ASSETS		<u>1,42,93,48,436</u>	<u>87,07,30,799</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.7	5,00,000	5,00,000
Other equity	1.8	4,37,18,802	2,88,31,794
Total Equity		<u>4,42,18,802</u>	<u>2,93,31,794</u>
Liabilities			
Non-current liabilities			
Deferred Tax Liabilities	1.9	14,66,547	9,04,028
		<u>14,66,547</u>	<u>9,04,028</u>
Current liabilities			
Financial Liabilities			
(i) Trade Payables	1.10	1,13,59,11,800	65,38,12,362
(ii) Other financial liabilities	1.11	4,11,86,389	5,06,32,553
Other current liabilities	1.12	20,50,40,894	12,95,41,748
Provisions	1.13	15,24,004	65,08,314
		<u>1,38,36,63,087</u>	<u>84,04,94,977</u>
TOTAL EQUITY AND LIABILITIES		<u>1,42,93,48,436</u>	<u>87,07,30,799</u>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

As per our Report of Even Date
For Sri Sessa and Ravi
Chartered Accountants
Firm Registration No.013764S

For and on behalf of the Board of Directors

R.Srivathsan
Partner
Membership No. 229983
Place : Chennai
Date : 21/05/2019



Bishwanath Dass
Director
DIN: 07986704

Sachin Pillai
Director
DIN: 06400793

HLF Services Limited
Statement of Profit and Loss for the year ended March 31, 2019

<i>Particulars</i>	Note No.	(in INR)	
		Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	2.1	1,94,75,24,392	1,57,81,95,547
Other income	2.2	39,41,447	10,95,636
Total Income		1,95,14,65,839	1,57,92,91,183
Expenses			
Employee benefits expense	2.3	98,18,04,104	77,42,44,432
Depreciation and amortisation	2.4	1,611	9,048
Other expenses	2.5	95,05,31,593	79,03,79,876
Total Expenses		1,93,23,37,308	1,56,46,33,356
Profit before exceptional items and tax		1,91,28,531	1,46,57,827
Tax expense:			
Current tax		57,01,000	62,62,000
Deferred tax		-	-
Profit for the year from continuing operations		1,34,27,531	83,95,827
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		20,21,996	9,58,067
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		5,62,519	2,96,043
Total Other Comprehensive Income		14,59,477	6,62,024
Total Comprehensive Income		1,48,87,008	90,57,851
Earnings per share (Face value Re.10 each) (for continuing operations)			
Basic		297.74	181.16
Diluted		297.74	181.16

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

As per our Report of Even Date
For Sri Sesa and Ravi
Chartered Accountants
Firm Registration No.013764S

For and on behalf of the Board of Directors

R.Srivathsan
Partner
Membership No. 229983
Place : Chennai
Date : 21/05/2019



Bishwanath Dass
Director
DIN: 07986704

Sachin Pillai
Director
DIN: 06400793

HLF Services Limited

Cash Flow Statement for the period ended March 31, 2019

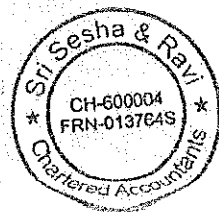
	(in INR)	
	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit for the year	1,34,27,531	83,95,827
Adjustments for :		
Depreciation and amortisation	1,611	9,048
Interest income	(25,02,746)	(9,79,586)
Income Tax	57,01,000	62,62,000
Operating loss before working capital changes	<u>1,66,27,396</u>	<u>1,36,87,289</u>
Movements in working capital		
Increase in Liabilities and Provisions	54,51,90,106	19,22,33,910
Increase in current financial assets - Trade Receivables	(38,17,29,591)	(19,09,34,467)
Decrease / (Increase) in current financial assets - others	1,52,257	2,27,682
Decrease / (Increase) in other current assets	(19,43,493)	1,46,15,459
Cash generated from operations	<u>16,16,69,280</u>	<u>1,61,42,584</u>
Income taxes paid	(3,32,29,400)	(3,04,49,262)
Net cash generated by / (used in) operating activities	<u>[A] 14,50,67,276</u>	<u>(6,19,389)</u>
Cash flow from investing activities		
Payments for acquisition of assets	-	-
Interest received	25,02,746	9,79,586
Net cash generated by / (used in) investing activities	<u>[B] 25,02,746</u>	<u>9,79,586</u>
Cash flows from financing activities		
Proceeds from issue of equity shares	-	-
Net cash generated by financing activities	<u>[C] -</u>	<u>-</u>
Net cash inflow	[A+B+C] 14,75,70,022	3,60,197
Add: Cash and cash equivalents at the beginning of the year	<u>7,56,64,384</u>	<u>7,53,04,187</u>
Cash and cash equivalents at the end of the year	<u>22,32,34,407</u>	<u>7,56,64,384</u>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

As per our Report of Even Date
For Sri Sesha and Ravi
 Chartered Accountants
 Firm Registration No.013764S

For and on behalf of the Board of Directors

R.Srivathsan
 Partner
 Membership No. 229983
 Place : Chennai
 Date : 21/05/2019



Bishwanath Dass
 Director
 DIN: 07986704

Sachin Pillai
 Director
 DIN: 06400793

HLF Services Limited
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(in INR)

Balance at the end of March 31, 2018	Changes in equity share capital during the year	Balance at the end of March 31, 2019
5,00,000	-	5,00,000

B. Other Equity

Particulars	Retained Earnings
Balance at the beginning of April 1, 2018	2,88,31,794
Profit for the year	1,34,27,531
Other comprehensive income	14,59,477
Total Comprehensive Income for the year	1,48,87,008
Balance at the end of March 31, 2019	4,37,18,802

As per our Report of Even Date
For Sri Sesa and Ravi
Chartered Accountants
Firm Registration No.013764S

For and on behalf of the Board of Directors

R.Srivathsan
Partner
Membership No. 229983
Place : Chennai
Date : 21/05/2019

Bishwanath Dass
Director
DIN: 07986704

Sachin Pillai
Director
DIN: 06400793



1A General Information

HLF Services Limited is a public limited company engaged in business of providing manpower and support services.

1B Significant Accounting Policies

Basis of Preparation and Presentation

a) Compliance with Ind-AS

The Financial Statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended 31st March 2016, the company prepared its financial statements in accordance with requirements of previous GAAP. These are the company's first Ind-AS financial statements. The date of transition to Ind-AS is from 01st April 2015.

b) First Time adoption

The company has prepared the opening Balance Sheet as on 01st April 2015 (transition date) by recognising all assets and liabilities whose recognition is required by Ind-AS, not recognising assets or liabilities which are not permitted by Ind-AS, by reclassifying the assets and liabilities from previous GAAP as required by Ind-AS and applying Ind-AS in measurement of recognised assets and liabilities.

c) Revenue Recognition

Service Charges on account of services rendered are recognised on accrual basis.

d) Employee Benefits

- i) Provident Fund scheme is a defined contribution plan and has been charged to revenue.
- ii) Retirement benefits in respect of gratuity at retirement/cessation are provided for based on valuations, as at the Balance Sheet date, made by independent actuaries. The Company provides for the Gratuity, a defined benefit retirement plan covering all employees.

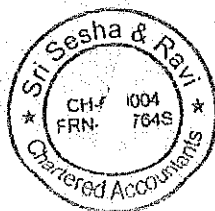
e) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation. The cost of assets includes all cost incurred towards acquisition and installation of the respective assets.

Intangible assets are carried at cost less accumulated amortisation.

f) Depreciation

Depreciation and Amortisation is provided on straight line basis over the useful life prescribed in Part C of Schedule II of the Companies Act, 2013.



g) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax:

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted. Foreign companies recognise tax assets / liabilities in accordance with applicable local laws.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

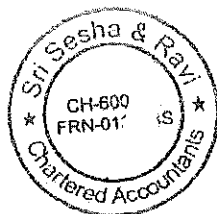
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

h) Provisions

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.



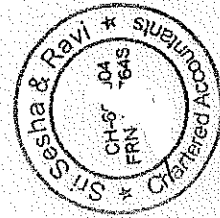
HLF Services Limited

Notes annexed to and forming part of the Financial Statements

1.1. Property, plant and equipment and capital work in progress (2018-19)

(in INR)

Particulars	Gross block (at cost)				Depreciation / Amortisation			Net block As at March 31, 2019
	As at April 1, 2018	Additions during the year	Deletions during the year	As at March 31, 2019	As at April 1, 2018	Depreciation/ Amortisation for the year	As at March 31, 2019	
A) Tangible assets:								
Land - Freehold	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-
Office equipments	-	-	-	-	-	-	-	-
Data processing equipments	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-	-	-
B) Intangible assets Acquired:								
Software	3,49,978	-	-	3,49,978	3,48,367	1,611	3,49,978	-
Total (B)	3,49,978	-	-	3,49,978	3,48,367	1,611	3,49,978	-
C) Capital work in Progress (net)	-	-	-	-	-	-	-	-
Total (A+B+C)	3,49,978	-	-	3,49,978	3,48,367	1,611	3,49,978	-

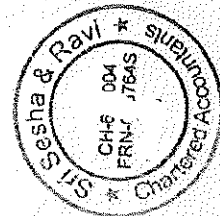


HLF Services Limited

Notes annexed to and forming part of the Financial Statements

1.1 . Property, plant and equipment and capital work in progress (2017-18)

Particulars	Gross block (at cost)					Depreciation / Amortisation			Net block As at March 31, 2018
	As at April 1, 2017	Additions during the year	Deletions during the year	As at March 31, 2018	As at April 1, 2017	Depreciation / Amortisation for the year	As at March 31, 2018		
	(in INR)								
A) Tangible assets:									
Land - Freehold	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-
Office equipments	-	-	-	-	-	-	-	-	-
Data processing equipments	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-	-	-	-
B) Intangible assets Acquired:									
Software	3,49,978	-	-	3,49,978	3,39,319	9,048	3,48,367	1,611	
Total (B)	3,49,978	-	-	3,49,978	3,39,319	9,048	3,48,367	1,611	
C) Capital work in Progress (net)	-	-	-	-	-	-	-	-	-
Total (A+B+C)	3,49,978	-	-	3,49,978	3,39,319	9,048	3,48,367	1,611	



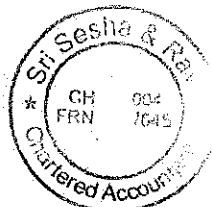
HILF Services Limited
Notes annexed to and forming part of the Financial Statements

(in INR)

As at
March 31, 2019

As at
March 31, 2018

1.2 Non-Current Tax Assets (Net)			
Advance Tax (net of provisions)		9,14,74,775	6,39,46,375
Total		9,14,74,775	6,39,46,375
1.3 Trade Receivables			
Trade Receivables (unsecured)			
(i) considered good		1,10,67,15,635	72,49,86,044
(ii) considered doubtful		-	-
		<u>1,10,67,15,635</u>	<u>72,49,86,044</u>
Less: Allowance for doubtful debts		-	-
Total		1,10,67,15,635	72,49,86,044
Age analysis of trade receivables			
- Outstanding for more than six months from the date they are due		12,75,79,634	83,88,605
- Others		97,91,36,001	71,65,97,439
		<u>1,10,67,15,635</u>	<u>72,49,86,044</u>
Movement in allowance for doubtful debts is as follows:			
Particulars	Opening	Allowance made/(written back)	Closing
Allowance for doubtful debts - March 2019	-	-	-
Allowance for doubtful debts - March 2018	-	-	-
1.4 Cash and cash equivalents			
Current:			
Balances with banks			
- current account		21,37,60,450	6,66,84,167
Total		21,37,60,450	6,66,84,167
1.4A Other bank balances			
Current:			
Farmarked bank balance			
- Margin money against bank guarantee			
Other bank balance			
- Deposit accounts		94,73,957	89,80,217
Total		94,73,957	89,80,217
1.5 Other financial assets (unsecured)			
Current:			
Interest accrued on bank deposits		55,829	50,962
Employee Advances		2,22,035	3,79,159
Other Advances		24,567	24,567
Total		3,02,431	4,54,688
1.6 Other current assets (unsecured)			
Others			
- considered good		76,21,189	56,77,696
- considered doubtful		-	-
		<u>76,21,189</u>	<u>56,77,696</u>
Less: Allowance for doubtful amounts		-	-
Total		76,21,189	56,77,696



(in INR)

1.7 Equity share capital

Authorised

50,000 Equity shares of Rs.10 each

As at March 31, 2019	As at March 31, 2018
5,00,000	5,00,000
<u>5,00,000</u>	<u>5,00,000</u>

Issued

50,000 Equity shares of Rs.10 each

5,00,000	5,00,000
<u>5,00,000</u>	<u>5,00,000</u>

Subscribed and fully paid up

50,000 Equity shares of Rs.10 each

5,00,000	5,00,000
<u>5,00,000</u>	<u>5,00,000</u>

Notes:

a. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>50,000</u>	<u>5,00,000</u>	<u>50,000</u>	<u>5,00,000</u>

b. Rights, preferences and restrictions attached to equity shares issued by the company:

i) Right to receive dividend as may be approved by the Board of Directors/Annual General Meeting.

ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013

iii) Every member of the company holding equity shares has a right to attend the General meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion of his share of the paid-up capital of the company.

c. Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	March 31, 2019		March 31, 2018	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Ashok Leyland Limited	27,000	54.00%	27,000	54.00%
Hinduja Leyland Finance Limited	22,950	45.90%	22,950	45.90%
Total	<u>49,950</u>	<u>99.90%</u>	<u>49,950</u>	<u>99.90%</u>

d. Shares held by Holding Company:

Ashok Leyland Limited, the holding company holds 27,000 equity shares.

e. Shares issued in preceeding 5 years:

The company has not issued and allotted any equity shares in the preceeding 5 years.

f. Shares issued for consideration other than cash:

The company has not issued any equity shares for consideration other than cash

1.8 Other equity

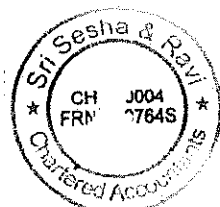
Retained earnings (Surplus in Statement of Profit and Loss)

Balance as at the beginning of the year	2,88,31,794	1,97,73,944
Add: Current year profit	1,34,27,531	83,95,827
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of Income Tax	14,59,477	6,62,024
Balance at the end of the year	<u>4,37,18,802</u>	<u>2,88,31,794</u>
Total	<u>4,37,18,802</u>	<u>2,88,31,794</u>

1.9 Deferred Tax Liabilities

a) Deferred tax liabilities

14,66,547	9,04,028
<u>14,66,547</u>	<u>9,04,028</u>



HLF Services Limited

Notes annexed to and forming part of the Financial Statements

(in INR)

1.10 Trade payables:

Current:

- i. Micro enterprises and small enterprises
- ii. Others

Total

As at March 31, 2019	As at March 31, 2018
1,13,59,11,800	65,38,12,362
1,13,59,11,800	65,38,12,362

1.11 Other financial liabilities

Current:

- Employee Benefits
- Others

Total

4,11,57,274	5,06,03,438
29,115	29,115
4,11,86,389	5,06,32,553

1.12 Other current liabilities

Statutory liabilities

Total

20,50,40,894	12,95,41,748
20,50,40,894	12,95,41,748

Note:

Statutory Liabilities includes Provident Fund payable of Rs.2,07,97,627/- out of which an amount of Rs.52,04,148/- is arrears for a period of more than 6 months as on balance sheet date from the date on which they became payable. This amount was not paid due to non-registration of employees in EPFO portal due to mismatch in employee data with UIDAI database. The company is in the process of correcting the data and an amount of Rs.34,66,270/- pertaining to the period March 2018 to September 2018 has been paid subsequent to the balance sheet date.

1.13 Provisions

a) Provision for employee benefits:

- Gratuity

11,74,004 61,58,314

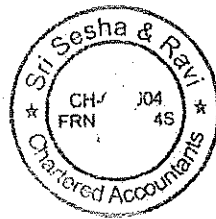
b) Provision for others:

- Others

3,50,000 3,50,000

Total

15,24,004	65,08,314
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HLF Services Limited

Notes annexed to and forming part of the financial statements

	(in INR)	
	Year ended March 31, 2019	Year ended March 31, 2018
2.1 Revenue from operations		
Sale of Services	1,94,75,24,392	1,57,81,95,547
	1,94,75,24,392	1,57,81,95,547
2.2 Other income		
Interest on bank deposits	6,60,655	6,12,361
Other Interest	18,42,091	3,67,225
Other Non-Operating Income	14,38,701	1,16,050
	39,41,447	10,95,636
2.3 Employee benefits expense		
Salaries and wages	87,73,26,339	68,58,27,503
Contribution to provident, gratuity and other funds	9,86,30,662	8,23,93,637
Staff welfare expenses	58,47,104	60,23,292
	98,18,04,104	77,42,44,432
2.4 Depreciation and Amortisation expense		
Intangible Assets		
(i) Computer Software		
- Developed	-	-
- Acquired	1,611	9,048
	1,611	9,048
2.5 Other expenses		
Audit Fees	3,50,000	3,50,000
Bank Charges	2,22,215	1,75,592
Credit Losses written off	1,35,88,605	17,61,67,548
Database sharing expenses	93,05,41,728	60,15,23,772
Rates & Taxes	39,82,613	1,07,39,307
Rent	48,000	0
Professional Charges	17,98,432	14,23,245
Miscellaneous Expenses	0	413
	95,05,31,593	79,03,79,876
Audit fees includes:		
Statutory Audit	3,00,000	3,00,000
Tax Audit	50,000	50,000
	3,50,000	3,50,000



3.1 Related Party Disclosures:**Name of the related parties and nature of relationship**

Holding Company	Ashok Leyland Limited
Enterprises having significant influence	Hinduja Leyland Finance Limited
Enterprise under common control	Hinduja Housing Finance Limited

Related party transactions

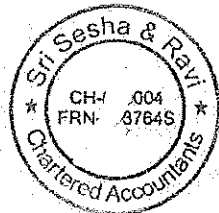
Nature of Transaction	Holding Company	Enterprises having significant influence	Enterprises under Common Control
<u>Transactions during the year</u>			
Revenue from Service transaction (Previous year: 31st March 2018)	18,00,51,091 (21,82,23,715)	74,09,55,500 (81,31,90,100)	9,40,56,541 (6,77,74,219)
Expenses from services rendered (Previous year: 31st March 2018)	48,000 -	93,05,41,728 (58,52,51,596)	- (1,62,72,176)
<u>Balances</u>			
Amounts due from / (payable) to related parties as at 31st March 2019 (Previous year: 31st March 2018)	- 1,79,68,875	(1,13,59,11,800) (65,38,12,362)	- (1,17,68,901)

3.2 The company is principally engaged in single business segment viz., supply of manpower services within India.

3.3 Financial Instruments**Liquidity tables:**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
<i>March 31, 2019</i>				
Trade payables	1,13,59,11,800	-	-	1,13,59,11,800
Other financial liabilities	4,11,86,389	-	-	4,11,86,389
	1,17,70,98,189	-	-	1,17,70,98,189
<i>March 31, 2018</i>				
Trade payables	65,38,12,362	-	-	65,38,12,362
Other financial liabilities	5,06,32,553	-	-	5,06,32,553
	70,44,44,915	-	-	70,44,44,915



3.4 Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Basic earnings per share		
From continuing operations	297.74	181.16
From discontinued operations	-	-
Total basic earnings per share	<u>297.74</u>	<u>181.16</u>
Diluted earnings per share		
From continuing operations	297.74	181.16
From discontinued operations	-	-
Total diluted earnings per share	<u>297.74</u>	<u>181.16</u>

Basic earnings per share

The earnings and weighted average number of ordinary shares used in

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year attributable to owners of the Company	1,48,87,008	90,57,851
Earnings used in the calculation of basic earnings per share from continuing operations	<u>1,48,87,008</u>	<u>90,57,851</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>50,000</u>	<u>50,000</u>

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are

	Year ended March 31, 2019	Year ended March 31, 2018
Earnings used in the calculation of basic earnings per share	1,48,87,008	90,57,851
Earnings used in the calculation of diluted earnings per share from continuing operations	<u>1,48,87,008</u>	<u>90,57,851</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	50,000	50,000
Adjustments	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>50,000</u>	<u>50,000</u>



3.5 Retirement Benefits Plan

Defined benefit plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions to a funded Company gratuity scheme administered by the SBI-Life Insurance.

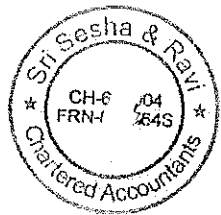
Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Discount rate(s)	7.00%	7.08%
Expected rate(s) of salary increase	10.00%	10.00%



3.5 Retirement benefit plans continued...

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2019	March 31, 2018
Current service cost	29,78,000	69,34,000
Net interest expense	2,18,000	1,82,381
Components of defined benefit costs	31,96,000	71,16,381
<u>Remeasurement on the net defined benefit</u>		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(24,55,750)
Actuarial (gains)/losses arising from changes in financial assumptions	81,000	33,83,475
Actuarial (gains)/losses arising from experience adjustments	(19,90,942)	(16,80,975)
Return on plan assets (excluding amounts included in net interest expense)	(1,12,054)	(2,04,817)
Components of defined benefit costs	(20,21,996)	(9,58,067)
Total	11,74,004	61,58,314

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

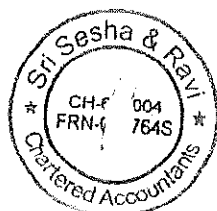
The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	March 31, 2019	March 31, 2018
Present value of defined benefit obligation	2,17,01,000	1,97,08,806
Fair value of plan assets	2,05,26,996	1,35,50,492
Net liability arising from defined benefit obligation	(11,74,004)	(61,58,314)
Funded	2,17,01,000	1,97,08,806
Unfunded	-	-
Total	2,17,01,000	1,97,08,806

The above provisions are reflected under 'gratuity' (provisions) [Refer note 1.12].

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	1,97,08,806	1,31,26,320
Current service cost	29,78,000	69,34,000
Interest cost	13,79,000	9,11,306
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(24,55,750)
Actuarial (gains)/losses arising from changes in financial assumptions	81,000	33,83,475
Actuarial (gains)/losses arising from experience	(19,90,942)	(16,80,975)
Benefits paid	(4,54,864)	(5,09,570)
Closing defined benefit obligation	2,17,01,000	1,97,08,806



3.5 Retirement benefit plans continued...

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	1,35,50,492	79,74,320
Interest Income	11,61,000	7,28,925
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	61,58,314	51,52,000
Benefits paid	(4,54,864)	(5,09,570)
Others	1,12,054	2,04,817
Closing fair value of plan assets	2,05,26,996	1,35,50,492

The Company funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance, which manages the plan assets.

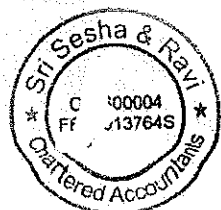
3.6 Income Taxes relating to Continuing Operations

	March 31, 2019	March 31, 2018
a) Income tax recognised in profit or loss		
<i>Current tax</i>		
In respect of the current year	57,01,000	62,62,000
In respect of prior years	-	-
	57,01,000	62,62,000
<i>Deferred tax</i>		
In respect of the current year	(5,62,519)	(2,96,043)
Deferred tax reclassified from equity to profit or loss	-	-
	(5,62,519)	(2,96,043)
Total income tax expense recognised in the current year relating to continuing operations	51,38,481	59,65,957

b) The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	1,91,28,531	1,46,57,827
Income tax expense calculated at 27.82% (2017-18: 30.9%)	53,22,000	45,30,000
Effect of expenses that are not deductible in determining taxable profit	3,79,000	17,30,000
Others	-	2,000
	57,01,000	62,62,000
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	57,01,000	62,62,000

The tax rate used for the reconciliations above is the corporate tax rate of 27.82% (for the year 2018-19) and 30.90% (for the year 2017-18) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.



c) Income tax recognised in other comprehensive income

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<i>Current tax</i>		
<i>Deferred tax</i>		
Remeasurement of defined benefit obligation	(5,62,519)	(2,96,043)
	<u>(5,62,519)</u>	<u>(2,96,043)</u>
Total income tax recognised in other comprehensive income	(5,62,519)	(2,96,043)

3.7 The Company has not received any intimation from suppliers regarding their status under Micro Small and Medium Enterprises Development Act, 2006.

3.8 Previous years figures have been regrouped/reclassified wherever necessary to confirm with current period classification.

As per our Report of Even Date
For Sri Sessa and Ravi
Chartered Accountants
Firm Registration No.013764S

For and on behalf of the Board of Directors

R. Srivathsan
Partner
Membership No. 229983
Place : Chennai
Date : 21/05/2019



Bishwanath Dass
Director
DIN: 07986704

Sachin Pillai
Director
DIN: 06400793