



Independent Auditor's Report

To the Members of HLF SERVICES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **HLF SERVICES LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

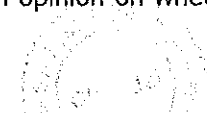
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether



the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

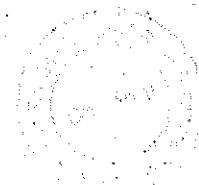
7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

9. 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 purpose 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 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 written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
 - (iv) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note no.21 to the financial statements.

for **Sri Sessa and Ravi**
Chartered Accountants
Firm Registration number: 013764S

R. Srivathsan
Partner
Membership number: 229983

Place: Chennai
Date: 23/05/2017

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 8 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, 2017:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

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

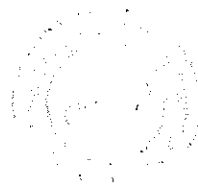
2) The company being engaged in manpower supply service does not have any inventories and hence clause 3(ii) is not applicable.

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, 2017 for a period of more than six months from the date on when they become payable.

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.

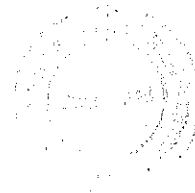
10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

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 Sessa and Ravi**
Chartered Accountants
Firm Registration number: 013764S

S. Srivathsan
Partner
Membership number: 229983

Place: Chennai
Date: 23/05/2017



"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, 2017 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

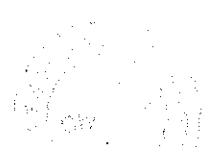
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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, 2017, 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.

for **Sri Sesa and Ravi**

Chartered Accountants

Firm Registration number: 013764S

R.Srivathsan

Partner

Membership number: 229983

Place: Chennai

Date: 23/05/2017



HLF SERVICES LIMITED

BALANCE SHEET as at 31st March, 2017

DETAILS	NOTE	As at March 31, 2017 ₹	As at March 31, 2016 ₹
EQUITY AND LIABILITIES			
I) Shareholder's Funds			
a) Share Capital	2	5,00,000	5,00,000
b) Reserves and surplus	3	2,03,81,929	1,64,51,794
Total		2,08,81,929	1,69,51,794
II) Current Liabilities			
a) Trade Payables	4	55,33,92,579	35,09,41,581
b) Other Current Liabilities	5	9,04,24,554	6,84,73,394
c) Short Term Provisions	6	54,02,000	20,53,472
		64,92,19,133	42,14,68,447
TOTAL		67,01,01,062	43,84,20,241
ASSETS			
I) Non Current Assets			
a) Fixed Assets	7		
(i) Intangible Assets		10,659	19,707
		10,659	19,707
b) Long Term Loans and Advances	8	3,97,59,114	1,89,21,687
		3,97,69,773	1,89,41,394
III) Current Assets			
a) Cash & Bank Balances	9	7,53,04,187	4,03,66,486
b) Trade Receivables	10	53,40,51,577	37,58,65,225
c) Short Term Loans and Advances	11	1,83,59,110	25,23,845
d) Other Current Assets	12	26,16,415	7,23,291
		63,03,31,289	41,94,78,847
TOTAL		67,01,01,062	43,84,20,241

Significant Accounting Policies

1

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

R. Ravithasan
Partner
Membership No. 229983



For and on behalf of the Board

G Vijayakumar
Director

Sachin Pillai
Director



HLF SERVICES LIMITED

STATEMENT OF PROFIT & LOSS for the Year Ended 31st March, 2017

DETAILS	NOTES	2016-17 ₹	2015-16 ₹
INCOME	12		
Revenue from Operations		1,07,94,83,310	67,13,19,915
Other Income		29,65,222	20,21,005
		1,08,24,48,532	67,33,40,920
EXPENDITURE			
Employee Cost	13	62,38,64,721	45,77,59,257
Other Expenses	14	45,32,51,628	20,81,81,106
Depreciation	6	9,048	9,048
		1,07,71,25,397	66,59,49,411
PROFIT (LOSS) BEFORE TAX		53,23,135	73,91,509
Tax Expense			
- Current Tax		13,93,000	26,53,000
- Deferred Tax Liability/(Asset)		0	0
PROFIT (LOSS) FOR THE YEAR		39,30,135	47,38,509
Earnings per share of Face value of Rs.10 each		78.60	94.77

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

R. Srivathsan
Partner
Membership No. 229983

Chennai
Date: 23/05/2017

For and on behalf of the Board

Vijayakumar
Director

Sachin Pillai
Director



HLF SERVICES LIMITED

CASH FLOW STATEMENT for the Year Ended 31st March, 2017

DETAILS	2016-17 ₹	2015-16 ₹
A Cash flow from operating activities		
Net Profit before Tax	53,23,135	73,91,509
Adjustments for:		
Depreciation	9,048	9,048
Short Term Provisions	33,48,528	11,54,082
Interest on Fixed Deposits	(6,41,017)	(6,89,083)
Gratuity Provision	-	-
Operating Profit before Working Capital Changes	80,39,694	78,65,556
Adjustments for:		
Increase/(Decrease) in Trade Payables	20,24,50,998	15,34,33,578
Increase/(Decrease) in Other Current Liabilities	2,19,51,160	96,15,215
(Increase)/Decrease in Trade Receivables	(15,81,86,352)	(18,81,20,124)
(Increase)/Decrease in Short Term Loans and Advances	(1,58,35,265)	10,71,111
(Increase)/Decrease in Other Current Assets	(18,93,124)	(5,42,347)
(Increase)/Decrease in Other Non-Current Assets	(2,08,37,427)	74,39,297
Cash (Used in) / From Operations	3,56,89,684	(92,37,714)
Direct Taxes (Paid) / Refund	(2,22,30,427)	(72,90,744)
Net Cash From / (Used In) Operating Activities (A)	1,34,59,257	(1,65,28,458)
B Cash Flow from Investing Activities		
Interest on Fixed Deposits	6,41,017	6,89,083
Bank Deposits made	-	-
Purchase of Fixed Assets	-	-
Net Cash From / (Used In) Investing Activities (B)	6,41,017	6,89,083
C Cash Flow from Financing Activities		
	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1,41,00,274	(1,58,39,375)
Cash and Bank Balances at the beginning of the year	4,03,66,486	5,62,05,861
Cash and Cash Equivalents at the end of the Year	5,44,66,760	4,03,66,486

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

R. Srivathsan
Partner
Membership No. 229983

Chennai

For and on behalf of the Board

Vijayakumar
Director

Sachin Pillai
Director



HLF SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The company is engaged in business of providing manpower and support services.

1.1 Revenue Recognition

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

1.2 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.

1.3 Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation. The cost of assets includes all cost incurred towards acquisition and installation of the respective assets.

1.4 Depreciation

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

1.5 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.

1.6 Accounting for taxes on income

The Provision for Taxation is the aggregate of Income Tax Liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing difference between book and tax profits and is provided in accordance with the Accounting Standard - 22, Accounting for Taxes on Income, issued by the ICAI.





HLF SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

DETAILS	As at 31-03-2017 ₹	As at 31-03-2016 ₹
2 SHARE CAPITAL		
AUTHORISED CAPITAL		
50,000 Equity Shares of Rs.10 Each	5,00,000	5,00,000
Issued, Subscribed and Paid up		
50,000 Equity Shares of Rs.10 Each Fully paid up	5,00,000	5,00,000
	5,00,000	5,00,000

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

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	No	Amount	No	Amount
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

b) Terms/ rights attached to Equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

c) Shares held by Holding Company

27,000 Equity Shares (Previous year 27,000 shares) are held by Ashok Leyland Limited, the holding company.

d) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2017		As at March 31, 2016	
	No	% holding	No	% holding
Ashok Leyland Limited	27,000	54.00%	27,000	54.00%
Hinduja Leyland Finance Limited	22,950	45.90%	22,950	45.90%





HLF SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

DETAILS	As at 31-03-2017 ₹	As at 31-03-2016 ₹
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3 RESERVES AND SURPLUS		
Surplus in Profit and Loss Account		
Balance at the beginning of the year	1,64,51,794	1,17,13,285
Profit for the year	39,30,135	47,38,509
	2,03,81,929	1,64,51,794

4 TRADE PAYABLES		
Trade Payables	55,33,92,579	35,09,41,581
	55,33,92,579	35,09,41,581

5 OTHER CURRENT LIABILITIES		
Dues to		
- Statutory Authorities	4,70,40,734	2,97,54,720
- Employees	4,32,90,655	3,85,77,555
- Others	93,165	1,41,119
	9,04,24,554	6,84,73,394

6 SHORT TERM PROVISIONS		
Provision for Expenses	2,50,000	2,05,700
Provision for Gratuity	51,52,000	18,47,772
Transferred to Long Term Provisions - Provision for Employees Benefits- Gratuity	-	-
	54,02,000	20,53,472



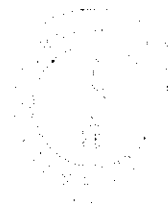


HLF SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31ST MARCH 2017

7 FIXED ASSETS

Description	Gross Block				Depreciation		Net Block		₹
	As at 31.03.2016	Additions	Deletions	As at 31.03.2017	Upto 31.03.2016	For the period	Upto 31.03.2017	As at 31.03.2017	
Tangible Assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Previous Year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<u>Intangible Assets</u>									
Computer Software	3,49,978	-	Nil	3,49,978	3,30,271	9,048	3,39,319	10,659	19,707
Previous Year	3,49,978	-	Nil	3,49,978	3,30,271	9,048	3,30,271	10,659	19,707
Total	3,49,978	-	Nil	3,49,978	3,21,223	9,048	3,39,319	10,659	19,707
Previous year	3,49,978	-	Nil	3,49,978	3,21,223	9,048	3,30,271	19,707	28,755





HLF SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2017

DETAILS	As at 31-03-2017 ₹	As at 31-03-2016 ₹
8 LONG TERM LOANS AND ADVANCES		
Prepaid Taxes (Net of Provisions)	3,97,59,114	1,89,21,687
	3,97,59,114	1,89,21,687
9 CASH AND BANK BALANCES		
Cash and Cheques on Hand	-	-
Balance with Scheduled Banks		
- On Current Accounts	6,67,83,242	3,23,15,827
State Bank of India	5,43,325	22,14,786
Axis Bank Limited	4,36,70,358	34,82,900
Axis Bank Limited	2,21,57,932	2,39,36,385
Axis Bank Limited	3,79,583	26,49,482
HDFC Bank Limited	32,044	32,274
Other Deposit Balance		
- In deposit Account	85,20,945	80,50,659
Transferred to other Non-Current Assets	-	-
	7,53,04,187	4,03,66,486
10 TRADE RECEIVABLES		
Unsecured considered good		
Trade Receivables outstanding for a period exceeding six months from the date they are due	17,39,05,319	16,36,42,337
Others	36,01,46,258	21,22,22,888
	53,40,51,577	37,58,65,225
11 SHORT TERM LOANS AND ADVANCES		
Others		
a) Loans and Advances to Employees	6,04,246	29,48,819
Less: Provision for bad and doubtful advances	-	16,10,173
	6,04,246	13,38,646
b) Service Tax Receivable	1,52,71,657	11,85,199
c) Provident Fund paid under protest	24,58,640	-
d) Other Advances	24,567	-
	1,83,59,110	25,23,845
12 OTHER CURRENT ASSETS		
Interest Accrued on Fixed deposit	53,557	56,806
Employees Gratuity Fund	10,000	10,000
Prepaid Expenses	25,52,858	6,56,485
	26,16,415	7,23,291



HLF SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

DETAILS	2016-17 ₹	2015-16 ₹
13 INCOME		
<i>Income from Operations</i>		
Service Charges	95,40,46,765	66,25,84,848
Other Operating Income	12,54,36,545	87,35,067
<i>Other Income</i>		
Interest on Fixed Deposits	6,41,017	6,89,083
Other Income	23,24,205	13,31,922
	1,08,24,48,532	67,33,40,920

14 ESTABLISHMENT EXPENSES		
Salaries, Allowances and Incentives	55,56,49,566	40,78,47,354
Contribution to Provident fund, Gratuity and ESIC	6,48,62,639	4,92,28,063
Staff Welfare Expenses	33,52,516	6,83,840
	62,38,64,721	45,77,59,257

15 OTHER EXPENSES		
Audit Fees	2,50,000	2,00,000
Bank Charges	1,36,898	1,27,536
Credit Losses written off	11,75,00,000	-
Database sharing expenses	32,81,23,178	20,40,10,900
Other Expenses	72,41,552	38,42,670
	45,32,51,628	20,81,81,106





HLF SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR 2016-2017

16 GRATUITY	2016-17	2015-16
	₹	₹
Projected Benefit Obligation at the beginning of the year	75,62,663	54,04,270
Current service cost	60,65,285	27,62,918
Interest Cost	5,77,862	4,15,048
Actuarial Losses/(gains)	(10,02,644)	(10,19,573)
Benefits Paid	(76,846)	-
Projected Benefit Obligation at the End of the year	1,31,26,320	75,62,663
Change in Plan Assets		
Fair value of plan assets as at the beginning of the period	57,14,891	47,05,380
Expected return on plan assets	4,65,368	3,88,385
Contributions	18,47,772	6,98,890
Benefits paid	(76,846)	-
Actuarial gain/(loss) on plan assets [balancing figure]	23,135	(77,764)
Fair value of plan assets as at the end of the period	79,74,320	57,14,891
Amount Recognised in the Balance Sheet		
Liability at the End of the year	1,31,26,320	75,62,663
Fair value of the plan at the end of the year	79,74,320	57,14,891
Amount Recognised in the Balance Sheet	51,52,000	18,47,772
Cost of the Defined Benefit plan for the year		
Current service cost	60,65,285	27,62,918
Interest on obligation	5,77,862	4,15,048
Expected return on plan assets	(4,65,368)	(3,88,385)
Net Actuarial (gain) / loss recognized for the year	(10,25,779)	(9,41,809)
Net Cost recognized in Profit and Loss Account	51,52,000	18,47,772
Assumptions		
Discount Rate	7.05%	7.68%
Salary escalation rate	5.00%	5.00%
Attrition rate	10.00%	10.00%
Expected rate of return on Plan Assets	7.05%	7.68%

Notes

1. The expected return on plan assets is as furnished by SBI- Life
2. The entire plan assets are managed by SBI- Life.
3. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors





HLF SERVICES LIMITED

17) Audit Fees include the following:

	2016-17 ₹	2015-16 ₹
Statutory Audit	2,00,000	1,00,000
Tax Audit	50,000	50,000
Certification	-	50,000

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

19) 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

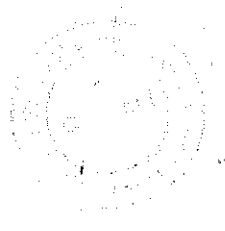
Enterprise under common control

Hinduja Housing Finance Limited

Related party transactions

(in ₹)

Nature of Transaction	Holding Company	Enterprises having significant influence	Enterprises under Common Control
Revenue from Service transaction (Previous year: 31st March 2016)	20,84,82,715 (13,64,45,581)	50,90,07,418 (32,13,17,790)	1,14,60,588 -
Expenses from services rendered (Previous year: 31st March 2016)	- -	31,87,47,720 (20,40,10,900)	93,75,458 -
Amounts due from / (payable) to related parties as at 31st March 2017 (Previous year: 31st March 2016)	- -	(55,33,92,579) (35,09,41,581)	21,61,654 -





HLF SERVICES LIMITED

20) In compliance with Accounting Standard - 20 on "Earnings Per Share", the elements considered for calculation of Earnings Per Share (Basic and Diluted) are as under:

Particulars	2016-17	2015-16
Profit after tax	39,30,135	47,38,509
Number of Equity Shares	50,000	50,000
Earnings per share (Basic and Diluted) - in ₹	78.60	94.77
Face value of share - in ₹	10	10

21) Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in Hand as on 08.11.2016	-	-	-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Banks	-	-	-
Closing Cash in Hand as on 30.12.2016	-	-	-

22) Previous years figures have been regrouped/reclassified wherever necessary to confirm with current period classification. The figures have been rounded off to the nearest rupee.

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

F. Srivathsan
Partner
Membership No. 229983

G Mijayakumar
Director

Sachin Pillai
Director

Chennai
Date: 23/05/2017

