

HLF Services Limited
Balance Sheet as at March 31, 2020

ASSETS	Note No.	As at March 31, 2020	As at March 31, 2019
Non-current assets			
Property, plant and equipment	1.1	-	-
Capital work-in-progress	1.1	-	-
Intangible assets	1.1	-	-
Non-current Tax assets (net)	1.2	8,60,58,324	9,14,74,775
Non-current Investments	1.3	-	-
		8,60,58,324	9,14,74,775
Current assets			
Financial Assets			
(i) Trade Receivables	1.4	58,79,15,207	1,10,67,15,635
(ii) Cash and cash equivalents	1.5	2,44,74,806	21,37,60,450
(iii) Bank balances other than (ii) above	1.5A	5,03,548	94,73,957
(iv) Other financial assets	1.6	1,44,383	3,02,431
Other current assets	1.7	1,06,37,144	76,21,189
		62,36,75,088	1,33,78,73,661
TOTAL ASSETS		70,97,33,412	1,42,93,48,436
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.6	5,00,000	5,00,000
Other equity	1.9	5,74,33,304	4,37,18,802
Total Equity		5,79,33,304	4,42,18,802
Liabilities			
Non-current liabilities			
Deferred Tax Liabilities	1.10	13,14,227	14,66,547
		13,14,227	14,66,547
Current liabilities			
Financial Liabilities			
(i) Trade Payables	1.11	51,96,18,219	1,13,59,11,800
(ii) Other financial liabilities	1.12	4,88,20,858	4,11,86,389
Other current liabilities	1.13	7,24,34,638	20,50,40,894
Provisions	1.14	96,12,165	15,24,004
		65,04,85,880	1,38,36,63,087
TOTAL EQUITY AND LIABILITIES		70,97,33,412	1,42,93,48,436

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance sheet.

As per our Report of Even date

For SSRG & Associates

Chartered Accountants

Firm Registration No.016752S

For and on behalf of the Board of Directors

S.Suresh

Partner

Membership Number :211992

UDIN: 20211992AAAADI9472

Place : Chennai

Date: 17-June-2020

Kishore Kumar Lodha

Director

DIN: 06475945

Sachin Pillai

Director

DIN: 06400793

HLF Services Limited
Statement of Profit and Loss for the year ended March 31, 2020

(in INR)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	2.1	1,12,87,87,588	1,94,75,24,392
Other income	2.2	38,98,324	39,41,447
Total Income		1,13,26,85,912	1,95,14,65,839
Expenses			
Employee benefits expense	2.3	1,10,40,69,255	98,18,04,104
Depreciation and amortisation	2.4	-	1,611
Other expenses	2.5	96,84,310	95,05,31,593
Total Expenses		1,11,37,53,565	1,93,23,37,308
Profit before exceptional items and tax		1,89,32,347	1,91,28,531
Tax expense:			
Current tax		47,65,000	57,01,000
Deferred tax		-	-
Profit for the year from continuing operations		1,41,67,347	1,34,27,531
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		(6,05,165)	20,21,996
(ii) Income tax relating to items that will not be reclassified to Profit or Loss			
		1,52,320	5,62,519
Total Other Comprehensive Income		(4,52,845)	14,59,477
Total Comprehensive Income		1,37,14,502	1,48,87,008
Earnings per share (Face value Re.10 each) (for continuing operations)			
Basic		283.35	297.74
Diluted		283.35	297.74

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 SSRG & Associates
Chartered Accountants
Firm Registration No.016752S

For and on behalf of the Board of Directors

S.Suresh
Partner
Membership Number :211992
UDIN: 20211992AAAAD19472
Place : Chennai
Date: 17-June-2020

Kishore Kumar Lodha
Director
DIN: 06475945

Sachin Pillai
Director
DIN: 06400793

HLF Services Limited
Cash Flow Statement for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit for the year	1,41,67,347	1,34,27,531
Adjustments for :		
Depreciation and amortisation	-	1,611
Short Term Capital Gains	(1,89,556)	-
Interest income	(37,08,768)	(25,02,746)
Income Tax	47,65,000	57,01,000
Operating Profit before working capital changes	1,50,34,023	1,66,27,396
Movements in working capital		
Increase / (Decrease) in Financial Liabilities	(60,86,59,112)	47,26,53,274
Increase / (Decrease) in Other Current Liabilities	(13,26,06,255)	7,54,99,146
Increase / (Decrease) in Provisions	74,82,996	(29,62,314)
Decrease/(Increase) in current financial assets - Trade Receivables	51,88,00,428	(38,17,29,591)
Decrease / (Increase) in current financial assets - others	1,58,048	1,52,257
Decrease / (Increase) in other current assets	(30,15,955)	(19,43,493)
Cash generated from/ (used in) operations	(21,78,39,851)	16,16,69,280
Income taxes paid	6,51,451	(3,32,29,400)
Net cash generated by / (used in) operating activities	[A] (20,21,54,377)	14,50,67,276
Cash flow from investing activities		
Investment in Mutual Fund	-	-
Short Term Capital Gains	1,89,556	-
Interest received	37,08,768	25,02,746
Net cash generated by / (used in) investing activities	[B] 38,98,324	25,02,746
Cash flows from financing activities		
Proceeds from issue of equity shares	-	-
Net cash generated by financing activities	[C] -	-
Net cash inflow	[A+B+C] (19,82,56,052)	14,75,70,022
Add: Cash and cash equivalents at the beginning of the year	22,32,34,407	7,56,64,384
Cash and cash equivalents at the end of the year	2,49,78,355	22,32,34,407

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Cash Flow Statement.

As per our Report of Even Date
For SSRG & Associates
Chartered Accountants
Firm Registration No.016752S

For and on behalf of the Board of Directors

S.Suresh
Partner
Membership Number :211992
UDIN: 20211992AAAADI9472
Place : Chennai
Date: 17-June-2020

Kishore Kumar Lodha
Director
DIN: 06475945

Sachin Pillai
Director
DIN: 06400793

HLF Services Limited
Statement of Changes in Equity for year ended March 31, 2020

A. Equity Share Capital

(in INR)

	Changes in equity share capital during the year	Balance at the end of March 31, 2020
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, 2019	4,37,18,802
Profit for the year	1,41,67,347
Other comprehensive income	(4,52,845)
Total Comprehensive Income for the year	1,37,14,502
Balance at the end of March 31, 2020	5,74,33,304

As per our Report of Even Date
For SSRG & Associates
Chartered Accountants
Firm Registration No.016752S

For and on behalf of the Board of Directors

S.Suresh
Partner
Membership Number :211992
UDIN: 20211992AAAADI9472
Place : Chennai
Date: 17-June-2020

Kishore Kumar Lodha
Director
DIN: 06475945

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. 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

Ind AS 115 establishes five -step model to account for revenue arising from contracts with customers and requires that revenue be recognised at amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to customers.

Ind AS 115 requires to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Sale of services

Revenue from sale of services is recognised over the period of time as and when the services are rendered in accordance with the specific terms of contract with customer. Revenue from Marketing, canvassing, collection and manpower services are recognised when the services are rendered.

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 and Contingent liabilities:

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

i) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that requires a material adjustment to the carrying amount of assets or liabilities affected in future periods.

HLF Services Limited								
Notes annexed to and forming part of the Financial Statements								
1.1 . Property, plant and equipment and capital work in progress (2019-20)								(in INR)
Particulars	Gross block (at cost)				Depreciation / Amortisation			Net block
	As at April 1, 2019	Additions during the year	Deletions during the year	As at March 31, 2020	As at April 1, 2019	Depreciation/ Amortisation for the year	As at March 31, 2020	As at March 31, 2020
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	3,49,978	-	3,49,978	-
Total (B)	3,49,978	-	-	3,49,978	3,49,978	-	3,49,978	-
C) Capital work in Progress (net)	-	-	-	-	-	-	-	-
Total (A+B+C)	3,49,978	-	-	3,49,978	3,49,978	-	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 (2018-19)								(in INR)
Particulars	Gross block (at cost)			Depreciation / Amortisation			Net block	
	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	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	-

(in INR)

	As at March 31, 2020	As at March 31, 2019	
1.2 Non-Current Tax Assets (Net)			
Advance Tax (net of provisions)	8,60,58,324	9,14,74,775	
Total	8,60,58,324	9,14,74,775	
1.3 Non-Current Investments			
Investments in Mututal Fund	-	-	
Total	-	-	
1.4 Trade Receivables			
Trade Receivables (unsecured)			
(i) considered good	58,79,15,207	1,10,67,15,635	
(ii) considered doubtful	-	-	
	58,79,15,207	1,10,67,15,635	
Less: Allowance for doubtful debts	-	-	
Total	58,79,15,207	1,10,67,15,635	
Age analysis of trade receivables			
- Outstanding for more than six months from the date they are due	57,75,32,845	12,75,79,634	
- Others	1,03,82,362	97,91,36,001	
	58,79,15,207	1,10,67,15,635	
Movement in allowance for doubtful debts is as follows:			
Particulars	Opening	Allowance made/(written back)	Closing
Allowance for doubtful debts - March 2020	-	-	-
Allowance for doubtful debts - March 2019	-	-	-
1.5 Cash and cash equivalents			
Current:			
Balances with banks			
- current account	2,44,74,806	21,37,60,450	
Total	2,44,74,806	21,37,60,450	
1.5A Other bank balances			
Current:			
Earmarked bank balance			
- Margin money against bank guarantee	-	-	
Other bank balance			
- Deposit accounts	5,03,548	94,73,957	
Total	5,03,548	94,73,957	
1.6 Other financial assets (unsecured)			
Current:			
Interest accrued on bank deposits	55,829	55,829	
Employee Advances	78,815	2,22,035	
Other Advances	9,739	24,567	
Total	1,44,383	3,02,431	

	As at March 31, 2020	As at March 31, 2019
1.7 Other current assets		
(unsecured)		
Others		
- considered good	1,06,37,144	76,21,189
- considered doubtful	-	-
	<u>1,06,37,144</u>	<u>76,21,189</u>
Less: Allowance for doubtful amounts	-	-
	<u>1,06,37,144</u>	<u>76,21,189</u>
Total	<u><u>1,06,37,144</u></u>	<u><u>76,21,189</u></u>

1.8 Equity share capital

Authorised

50,000 Equity shares of Rs.10 each

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, 2020		March 31, 2019	
	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><u>50,000</u></u>	<u><u>5,00,000</u></u>	<u><u>50,000</u></u>	<u><u>5,00,000</u></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, 2020		March 31, 2019	
	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><u>49,950</u></u>	<u><u>99.90%</u></u>	<u><u>49,950</u></u>	<u><u>99.90%</u></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

1.9 Other equity

Retained earnings (Surplus in Statement of Profit and Loss):

Balance as at the beginning of the year	4,37,18,802	2,88,31,794
Add: Current year profit	1,41,67,347	1,34,27,531
Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation net of Income Tax	(4,52,845)	14,59,477
Balance at the end of the year	<u><u>5,74,33,304</u></u>	<u><u>4,37,18,802</u></u>
Total	<u><u>5,74,33,304</u></u>	<u><u>4,37,18,802</u></u>

	As at March 31, 2020	As at March 31, 2019
1.10 Deferred Tax Liabilities		
a) Deferred tax liabilities	13,14,227	14,66,547
	<u>13,14,227</u>	<u>14,66,547</u>
1.11 Trade payables:		
Current:		
i. Micro enterprises and small enterprises	9,97,287	-
ii. Others	51,86,20,932	1,13,59,11,800
Total	<u>51,96,18,219</u>	<u>1,13,59,11,800</u>
1.12 Other financial liabilities		
Current:		
Employee Benefits	4,87,91,743	4,11,57,274
Others	29,115	29,115
Total	<u>4,88,20,858</u>	<u>4,11,86,389</u>
1.13 Other current liabilities		
Statutory liabilities	7,24,34,638	20,50,40,894
Total	<u>7,24,34,638</u>	<u>20,50,40,894</u>
1.14 Provisions		
a) Provision for employee benefits:		
- Gratuity	94,37,165	11,74,004
b) Provision for others:		
- Others	1,75,000	3,50,000
Total	<u>96,12,165</u>	<u>15,24,004</u>
1.15 Operating lease arrangements		
Payments recognised as an expense for cancellable lease		
Rental	72,000	48,000
Total	<u>72,000</u>	<u>48,000</u>
Non-cancellable operating lease commitment		
Not later than 1 year		
Later than 1 year but not later than 5 years	Not applicable	Not applicable
Later than 5 years		
IND AS 116 impact	NIL	NIL

HLF Services Limited

Notes annexed to and forming part of the financial statements

(in INR)

	Year ended March 31, 2020	Year ended March 31, 2019
2.1 Revenue from operations		
Sale of Services	1,12,87,87,588	1,94,75,24,392
	1,12,87,87,588	1,94,75,24,392
2.2 Other income		
Interest on bank deposits	5,93,828	6,60,655
Other Interest	31,14,940	18,42,091
Other Non-Operating Income	1,89,556	14,38,701
	38,98,324	39,41,447
2.3 Employee benefits expense		
Salaries and wages	98,49,25,867	87,73,26,339
Contribution to provident, gratuity and other funds	11,32,31,169	9,86,30,662
Staff welfare expenses	59,12,220	58,47,104
	1,10,40,69,255	98,18,04,104
2.4 Depreciation and Amortisation expense		
Intangible Assets		
(i) Computer Software		
- Developed	-	-
- Acquired	-	1,611
	-	1,611
2.5 Other expenses		
Audit Fees	3,50,000	3,50,000
Bank Charges	2,60,489	2,22,215
Credit Losses written off	-	1,35,88,605
Database sharing expenses	-	93,05,41,728
Rates & Taxes	1,03,705	39,82,613
Rent	72,000	48,000
Professional Charges	66,35,089	17,98,432
Miscellaneous Expenses	22,63,027	-
	96,84,310	95,05,31,593
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
Transactions during the year			
Revenue from Service transaction : 31 st March 2020 (Previous year: 31st March 2019)	13,57,78,168 (18,00,51,091)	86,22,20,507 (74,09,55,500)	12,98,10,413 (9,40,56,541)
Expenses from services rendered (Previous year: 31st March 2019)	72,000 (48,000)	- (93,05,41,728)	- -
Balances			
Amounts due from / (payable) to related parties as at 31st March 2020 (Previous year: 31st March 2019)	1,03,82,362 -	(51,86,20,932) (1,13,59,11,800)	- -

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
31-Mar-2020				
Trade payables	51,96,18,219	-	-	51,96,18,219
Other financial liabilities	4,88,20,858	-	-	4,88,20,858
	56,84,39,077	-	-	56,84,39,077
31-Mar-2019				
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

3.4 Earnings per share

	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share		
From continuing operations	283.35	297.74
From discontinued operations	-	-
Total basic earnings per share	283.35	297.74
Diluted earnings per share		
From continuing operations	283.35	297.74
From discontinued operations	-	-
Total diluted earnings per share	283.35	297.74

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.

	Period ended March 31, 2020	Year ended March 31, 2019
Profit for the year attributable to owners of the Company	<u>1,41,67,347</u>	<u>1,34,27,531</u>
Earnings used in the calculation of basic earnings per share from continuing operations	<u>1,41,67,347</u>	<u>1,34,27,531</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 as follows.

	Period ended March 31, 2020	Year ended March 31, 2019
Earnings used in the calculation of basic earnings per share	1,41,67,347	1,34,27,531
Earnings used in the calculation of diluted earnings per share from continuing operations	<u>1,41,67,347</u>	<u>1,34,27,531</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, 2020</u>	<u>March 31, 2019</u>
Discount rate(s)	5.60%	7.00%
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:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Current service cost	89,41,000	29,78,000
Net interest expense	(1,09,000)	2,18,000
Components of defined benefit costs recognised in profit or loss	88,32,000	31,96,000
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	18,14,000	81,000
Actuarial (gains)/losses arising from experience adjustments	(10,87,669)	(19,90,942)
Return on plan assets (excluding amounts included in net interest expense)	(1,21,166)	(1,12,054)
Components of defined benefit costs recognised in other comprehensive income	6,05,165	(20,21,996)
Total	94,37,165	11,74,004

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, 2020	March 31, 2019
Present value of defined benefit obligation	2,82,43,412	2,17,01,000
Fair value of plan assets	2,30,97,079	2,05,26,996
Net liability arising from defined benefit obligation (Funded)	(51,46,333)	(11,74,004)
Funded	2,82,43,412	2,17,01,000
Unfunded		
Total	2,82,43,412	2,17,01,000

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, 2020	March 31, 2019
Opening defined benefit obligation	2,17,01,000	1,97,08,806
Current service cost	89,41,000	29,78,000
Interest cost	13,62,000	13,79,000
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	18,14,000	81,000
Actuarial (gains)/losses arising from experience adjustments	(10,87,669)	(19,90,942)
Benefits paid from Plan assets	(1,96,087)	(4,54,864)
Benefits paid directly by the Company	(42,90,832)	-
Closing defined benefit obligation	2,82,43,412	2,17,01,000

3.5 Retirement benefit plans continued...

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

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	2,05,26,996	1,35,50,492
Interest Income on plan assets	14,71,000	11,61,000
Return on plan assets greater/(lesser) than discount rate	1,21,166	1,12,054
Contributions	11,74,004	61,58,314
Benefits paid from Plan assets	(1,96,087)	(4,54,864)
Closing fair value of plan assets	2,30,97,079	2,05,26,996

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.

The actual return on plan assets was Rs 15,92,166/- (FY 2018-19 : Rs 12,73,054).

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Gratuity	March 31, 2020	March 31, 2019
If the discount rate is 50 basis points higher/lower, the defined benefit obligation would:		
decrease by	6,74,000	4,92,000
increase by	7,04,000	5,13,000
If the expected salary increases/decreases by 50 basis points, the defined benefit obligation would:		
increase by	6,75,000	4,99,000
decrease by	6,53,000	4,84,000

The sensitivity results above determine their individual impact on the Plan's end of year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

3.6 Income Taxes relating to Continuing Operations

	March 31, 2020	March 31, 2019
a) Income tax recognised in profit or loss		
Current tax		
In respect of the current year	47,65,000	57,01,000
In respect of prior years	-	-
	47,65,000	57,01,000
Deferred tax		
In respect of the current year	(1,52,320)	5,62,519
Deferred tax reclassified from equity to profit or loss	-	-
	(1,52,320)	5,62,519
Total income tax expense recognised in the current year relating to continuing operations	46,12,680	62,63,519

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

Profit before tax from continuing operations	1,89,32,347	1,91,28,531
Income tax expense calculated at 25.17% (2018-19: 27.82%)	47,65,000	53,22,000
Effect of expenses that are not deductible in determining taxable profit	-	3,79,000
Others	-	-
	47,65,000	57,01,000
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)	47,65,000	57,01,000

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% (for the year 2019-20) and 27.82% (for the year 2018-19) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

c) Income tax recognised in other comprehensive income

	March 31, 2020	March 31, 2019
Current tax	-	-
Deferred tax		
Remeasurement of defined benefit obligation	(1,52,320)	5,62,519
	(1,52,320)	5,62,519
Total income tax recognised in other comprehensive income	(1,52,320)	5,62,519

3.7 Analysis of Deferred tax assets/liabilities

	Opening balance	Recognised in other comprehensive income	Closing balance
March 31, 2020			
Deferred tax assets			
Re-Measurement gains/(losses) on defined plans (net)	-	(1,52,320)	(1,52,320)
	-	(1,52,320)	(1,52,320)
Deferred tax liabilities			
Re-Measurement gains/(losses) on defined plans	14,66,547	-	14,66,547
	14,66,547	-	14,66,547
Net Deferred tax liabilities	14,66,547	(1,52,320)	13,14,227
March 31, 2019			
Deferred tax liability			
Re-Measurement gains/(losses) on defined plans	9,04,028	5,62,519	14,66,547
	9,04,028	5,62,519	14,66,547

3.8 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company. The amount of principal and interest outstanding is given below:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Principal amount paid after appointment date during the year	-	-
Amount of interest due and payable for the delayed payment of principal amount	-	-
Principal amount remaining unpaid as at year end (Over due)	-	-
Principal amount remaining unpaid as at year end (not due)	9,97,287	-
Interest due and payable on principal amount unpaid as the year end	-	-
Total amount of interest accrued and unpaid as the year end	-	-

3.9 Revenue from contracts with customers

Disaggregated revenue information		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Sale of Services			
Marketing, Collection and Other services		86,22,20,507	74,09,55,500
Canvassing, Collection and Other services		12,98,10,413	9,40,56,541
Supply of Manpower services		13,57,78,168	18,00,51,091
Others		9,78,500	93,24,61,260
Total revenue from contract with customers		<u>1,12,87,87,588</u>	<u>1,94,75,24,392</u>
India		1,12,87,87,588	1,94,75,24,392
Outside India		-	-
Total revenue from contract with customers		<u>1,12,87,87,588</u>	<u>1,94,75,24,392</u>

Timing of revenue recognition	<u>March 31, 2020</u>		<u>March 31, 2019</u>	
	At a point in time	Over a period of Time	At a point in time	Over a period of Time
Sale of Services	1,12,87,87,588	-	1,94,75,24,392	-
Total revenue from contract with customers	<u>1,12,87,87,588</u>	<u>-</u>	<u>1,94,75,24,392</u>	<u>-</u>

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Contract balances		
Trade receivables (Refer note 1.4)	58,79,15,207	1,10,67,15,635

There is no unsatisfied performance obligation

3.10 Contingent Liabilities

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Claims against the company not acknowledged as debts		
Employees Provident Fund	98,34,559	-
Employees State Insurance	30,81,090	-
Total	<u>1,29,15,649</u>	<u>-</u>

- i) The company is of opinion that the above demands are not sustainable and expects to succeed in its appeals/defence.
ii) Company has gone on appeal before respective Appellate Tribunal/Authorities for above demand.
iii) Out of Rs 98,34,559 /- EPF demand, Rs 69,18,780 relates to non enrolment of certain employees who were duly enrolled and respective EPF contribution was remitted during the year.
iv) Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

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

**As per our Report of Even Date
For SSRG & Associates
Chartered Accountants
Firm Registration No.016752S**

For and on behalf of the Board of Directors

**S.Suresh
Partner
Membership Number :211992
UDIN: 20211992AAAADI9472
Place : Chennai
Date: 17-June-2020**

**Kishore Kumar Lodha
Director
DIN: 06475945**

**Sachin Pillai
Director
DIN: 06400793**