



AADHAR SALES AND SERVICES PRIVATE LIMITED
Corporate Identity Number (CIN) – U74999MH2017PTC297139

NOTICE OF 3RD (THIRD) ANNUAL GENERAL MEETING

Notice is hereby given that the 3rd (Third) Annual General Meeting of the Members of Aadhar Sales and Services Private Limited, will be held on Thursday, 25th June, 2020, at 11:00 a.m. (11:00 Hours), at the Registered Office of the Company, Mumbai through Video Conference, to transact the following businesses:-

ORDINARY BUSINESS

Item No. 1- Approval and Adoption of Financial Statements & Report of Statutory Auditors thereon along with the Report of the Board of Directors:

To consider, and if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Financial Statements together with Report of the Board and Statutory Auditors thereon along with the Report of the Board of Directors of the Company, for the financial year ended 31st March, 2020, which is circulated and laid before this meeting, be and are hereby approved and adopted.”

Item No. 2 – Appointment of Director in place of those retiring by rotation:

To consider, and if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Mr. Deo Shankar Tripathi (DIN: 07153794), being longest in office since his last appointment, retires by rotation at this meeting and being eligible be and is hereby re-appointed as Non-Executive Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

Item No. 3- Appointment of Mr. Raj Anilkumar Nair (DIN : 08743051) as Non-Executive Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Raj Anilkumar Nair (DIN : 08743051), who was appointed as an Additional Directors, by the Board of Director w.e.f. 18th May, 2020, to hold office upto the date of ensuing Annual General Meeting(AGM) and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Non- Executive Director of the Company and his period of office shall be liable for retirement by rotation.”

Item No. 4 – Confirmation & Revalidation of Overall Borrowing Limits, acceptance of Security Deposit from Holding Company and invest the surplus funds:

To consider and if thought fit, to pass the following resolution as an **Special Resolution**

“RESOLVED THAT pursuant to provisions of section 180 (1) (a), 180 (1) (c), 186 and 188 of the Companies act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force and as per the relevant provisions of the Memorandum of Association and Articles of Association of the Company, the overall Borrowing Limits as approved by the Members of the Company at their 1st AGM held on 29th September, 2018, be and is hereby confirmed and revalidated upto the limit of Rs. 5.00 Crores, to raise or borrow any sum or sums of money (including non-fund based facilities) by way of loan(s), security deposit/advance against supply of services, Advance security deposits, Inter- Corporate Deposit(s) or any other permissible mode from Banks and Financial Institution(s), Holding Company & other Body Corporates and invest the surplus funds, not immediately required for the business of the Company, in debentures, Bank deposits, treasury instruments and units of mutual funds in the ordinary course of business, from time to time at their discretion, which together with the money already borrowed by the Company (apart from temporary loans, overdrafts obtained or to be obtained from the Company’s Bankers in the ordinary course of business), may at any time, exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) provided that the total amount so borrowed upto the extent of Rs. 5.00 Crores (Rupees Five Crores only) at any point of time and to create charge on the tangible or intangible assets of the Company by way of mortgage or hypothecation, as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do or cause or authorize the officials to do all such acts, matters, deeds and other things that may require or desirable for giving effect to the aforesaid resolution.”

By the Order of the Board
For Aadhar Sales and Services Pvt. Ltd.



Director
DIN : 06983509

Registered Office :

201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road,
Santacruz (E), Mumbai, Maharashtra, 400055

Date: 28th May, 2020

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER. PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY DULY FILLED AND SIGNED, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE AGM. A PROXY FORM FOR THE AGM IS ENCLOSED HEREWITH.**
- 2. The Members may note that, due to social distancing norms and lockdown imposed by the Government because of COVID-19 pandemic and pursuant to the General Circular No. 20/2020 dated 5th May, 2020, issued by Ministry of Corporate Affairs, this AGM will be held through Video Conference, by using the Zoom Meeting App and the detailed procedure including the Meeting Id and password to participate the said AGM will be sent to the eligible Members, 15 days before the AGM**
3. Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, a person can act as a proxy on behalf of a Member and holding in aggregate not more than ten percent of the total Share Capital of the Company. The Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
4. Every Member during the period beginning twenty-four (24) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, would be entitled to inspect the all relevant documents referred in this Notice & Explanatory

Statement and proxy lodged at any time during the business hours of the Company (i.e. between 10.00 a.m. to 5.00 p.m.), provided that not less than three (3) days prior notice in writing is given to the Company for inspection of proxy.

5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the all Special Businesses to be transacted at the AGM.
6. The voting result shall be announced by the Chairman or any other person authorized by the Chairman in writing for this purpose.
7. The resolution given in the Notice of this AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolution.

ANNEXURE TO THE NOTICE CALLING THE A.G.M.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Appointment of Mr. Raj Anilkumar Nair (DIN : 08743051) as Director of the Company

The Members are requested to note that, the Board of Directors of the Company have, appointed Mr. Raj Anilkumar Nair (DIN : 08743051), as an Additional Director, w.e.f. 18th May, 2020 and whose period of office was liable to regularize at this AGM of the Company pursuant to sections 160 and 161 of the Companies act, 2013.

A notice as required under Section 160(1) of the Companies Act, 2013 has been received from a Member proposing the appointment of Mr. Raj Anilkumar Nair as Non-Executive Director of the Company.

The Company has received from Mr. Raj Anilkumar Nair, his consent to act as a Non-Executive Director of the Company and intimation to the effect that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 (Act). In opinion of the Board Mr. Raj Anilkumar Nair is eligible for this appointment/regularization.

The above proposal to appoint/regularize the appointment of Mr. Raj Anilkumar Nair is recommended by the Board of Directors and the resolution as set out at Item No. 3 of this Notice is placed for the approval of the Members as an Ordinary Resolution.

None of the Directors, except Mr. Raj Anilkumar Nair, or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of this Notice.

Item No. 4

Confirmation & Revalidation of Overall Borrowing Limits, Advance Security Deposit from Holding Company and invest the surplus funds:

The Members may note that, in terms of the provisions of Section 180(1)(c) and other provisions of the Companies Act, 2013, the Company may borrow the funds through various modes of borrowing, exceeding the paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, provided approval of Members is obtained by passing a Special Resolution.

It may further to note that, the Members of the Company by passing a Special Resolution at their 1st Annual General Meeting held on 29th September, 2018, authorized the Board of Directors of the Company, to raise or borrow any sum or sums of money (including non-fund based facilities) by way of loan(s), advance security deposit against supply of services, Inter- Corporate Deposit(s) or any other permissible mode from Banks and Financial Institution(s), Holding Company and other Body Corporates, invest the surplus funds, not immediately required for the business of the Company, in debentures, bank deposits, treasury instruments and units of mutual funds in the ordinary course of business from time to time at their discretion, in excess of the aggregate of the paid up share capital and its free reserves (that is to say the reserves not set apart for any specific purpose) and securities premium, to the extent of Rs. 5 Crores at any point of time.

Further, it is proposed to confirm and revalidate the approval of overall Borrowing Limits and advance Security Deposits upto Rs. 5 Crores, as aforesaid.

The above proposal is recommended by the Board of Directors and the resolution as set out at Item No. 4 of this Notice is placed for the approval of the Members as a Special Resolutions.

None of the Directors and their relatives except Mr. Deo Tripathi being KMP of Holding company, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this Notice.

By the Order of the Board
For Aadhar Sales and Services Pvt. Ltd.



Director
DIN : 06983509

Registered Office :

201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road,
Santacruz (E), Mumbai, Maharashtra, 400055

Date: 28th May, 2020



CIN: U74999MH2017PTC297139

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):.....

Registered address:

E-mail Id:.....

Folio No/ Client Id:.....

DP ID:

I/ We being the Member of, holding.....shares, hereby appoint

1. Name:

Address:.....

E-mail Id:.....

Signature: or failing him

2. Name:

Address:.....

E-mail Id:.....

Signature:

as my/our proxy to attend and vote (on a poll, if any) for me/us and on my/our behalf at the 3rd Annual General Meeting of Members of the Company, to be held on Thursday, 25th June, 2020, at 11:00 a.m. (11:00 Hours), at the Registered Office of the Company, 201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz (E), Mumbai - 400055, Maharashtra and at any adjournment thereof in respect of such resolutions as indicated below:

Sl. No.	Resolution	Optional* (Please mark ✓ in appropriate box)	
		For	Against
Ordinary Business :			
1	Approval and Adoption of Financial Statements & Report of Statutory Auditors thereon along with the Report of the Board of Directors for the Financial Year 2019-20.		
2	Appointment of directors in place of those retiring.		
Special Business :			
3	Appointment of Mr. Raj Anilkumar Nair (DIN : 08743051) as Director of the Company.		
4	Confirmation & Revalidation of Overall Borrowing Limits, Advance Security Deposit from Holding Company and invest the surplus funds		

Affix Revenue
Stamp of Rs. 1/-

Signed this day of _____(Month), 2020

Signature of Member

Signature of Proxy holder(s).....

Note:

- 1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Regd. Office of the Company, not less than 48 hours before the commencement of the AGM.**
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

*It is optional to put a (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

3rd Annual General Meeting of Aadhar Sales and Services Private Limited, held on Thursday, 25th June, 2020, at 11:00 a.m. (11:00 Hours) at through Video Conference at the Registered Office of the Company, 201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz (E), Mumbai - 400055, Maharashtra.

ATTENDANCE SLIP – ANNUAL GENERAL MEETING

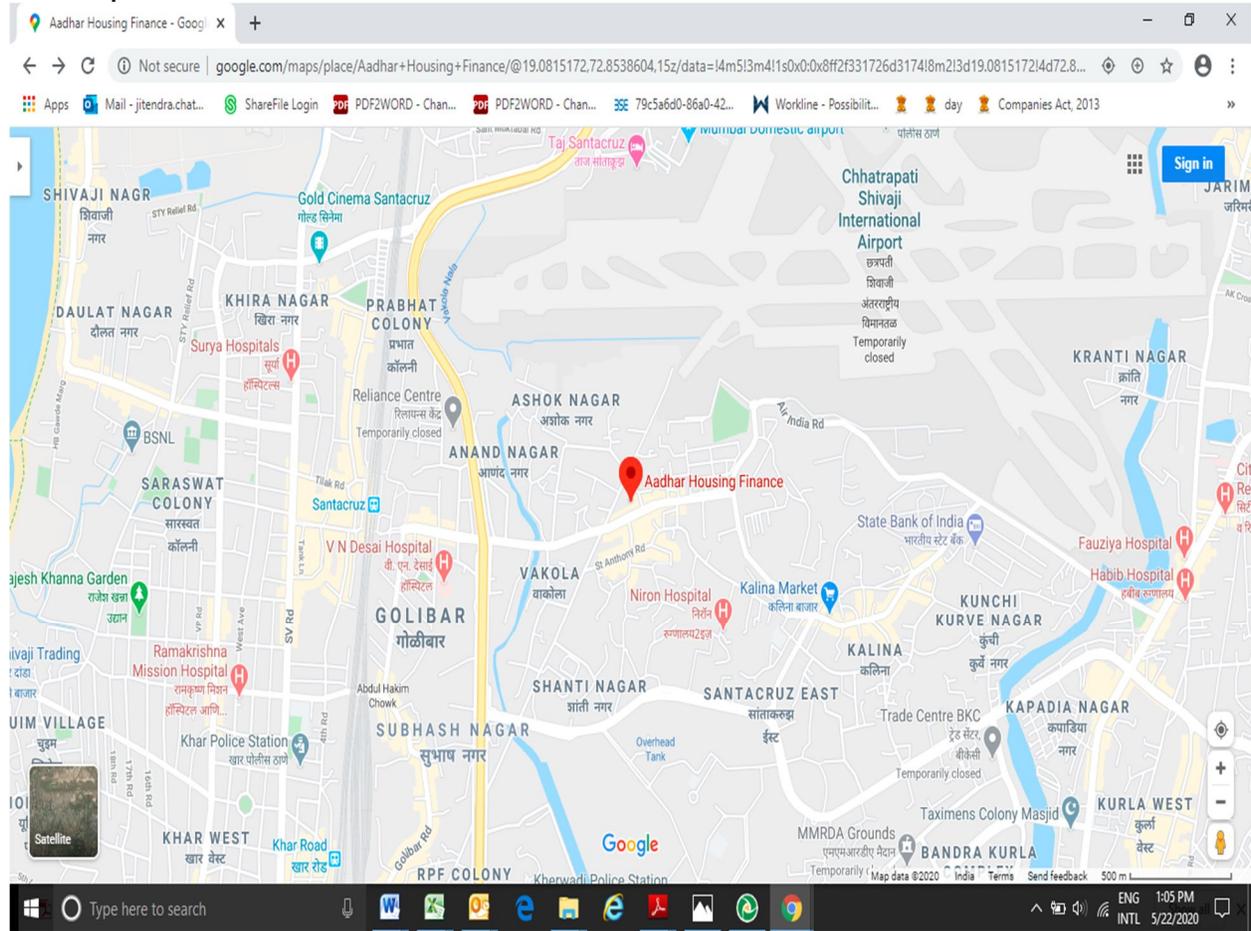
1	Name(s)of Member(s) including Joint holders, if any (in Block Letter)	
2	Registered Address of the Sole/First named Member	
3	Name of Proxy holder (if applicable)	
4	Registered Folio No.	
5	Number of Equity Shares held	

I/We hereby record my/our presence at the Annual General Meeting of the Members of Aadhar Sales and Services Private Limited on Thursday, 25th June, 2020, at 11:00 a.m. (11:00 Hours) at the Registered Office of the Company, 201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz (E), Mumbai - 400055, Maharashtra.

Signature of Member/Proxy

NOTE : PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING ROOM.

Site Map /Venue of AGM





(CIN: U74999MH2017PTC297139)

ANNUAL REPORT

**AADHAR SALES AND SERVICES PRIVATE
LIMITED**

FOR FINANCIAL YEAR : 2019-2020



(CIN: U74999MH2017PTC297139)

Board's Report for the financial year 2019-20

Your Directors are pleased to present 3rd Annual Report of the Company along with Audited Financial Statement and the Auditors' Report thereon for the financial year ended 31st March, 2020.

Financial Summary and Highlights:

A summary of financial statements and profitability for the year ended 31st March, 2020 are given below for the information of members of the Company:

(Amount in Rs. Lakhs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2020
(a) Turnover	2,912.94	1,965.43
Other Income	2.06	9.33
Less: - Employee benefits	2,813.48	1,893.46
- other expenses	73.32	77.25
(b) Net Profit (before tax)	28.20	4.06
Less : Tax	14.60	4.07
(c) Net Profit/(Loss) after tax	13.60	(0.01)
Net worth	9.42	18.68

State of Company's Affairs :

Your company is engaged in providing business of agents and service provider for manpower services, recruitment, training, assignment of staff for specific or general purposes. Your Company was incorporated on 10th July, 2017, vide Certificate of Incorporation Number U74999MH2017PTC297139, dated 11th July, 2017, issued by Registrar of Companies, Mumbai, Maharashtra.

Various Registration of the Company :

Your Company is also duly registered with/as per -

- Employees Provident Fund
- Professional Tax
- Employees State Insurance Act, 1948
- Maharashtra Labour Welfare Board
- As per the Maharashtra Shop & Establishment (Regulations of Employment and Conditions of Service) Act, 2017

- vi. Contract Labour (Regulation and Abolition) Act, 1970
- vii. Goods and Service Tax (GST)
- viii. Income Tax

Share Capital:

Your Company's capital structure during the financial year under report stood as given in the below table;

Share Capital	Amount in (Rs.)
Authorized Share Capital (10,000 Equity Shares of Rs. 10 each)	1,00,000
Issued, Subscribed and Paid-up Share Capital (10,000 Equity Shares of Rs. 10 each)	1,00,000

Changes in Capital Structure and shareholding position during the year : Nil

The Compliances under Companies Act, 2013:

Annual Return:

During the year 2019-20, Annual General Meeting (AGM) of the Company for the financial year 2018-19 was duly held on 27th August, 2019 and Annual Return in e-Form MGT-7 was duly filed within time line, as per applicable provisions of Companies Act, 2013. Your Company has also filed FORM 'ACTIVE' with ROC Mumbai during the FY 2019-20.

Further, as provided under section 92(3) and 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return for FY 2019-20 is annexed as **Annexure- I** to this Report in Form MGT-9.

Further, the Company does not have the website, therefore the Annual Return and Extract thereof, are available for inspection at the Registered Office of the Company, during business hours, i.e. between 10.00 a.m. to 5.00 p.m. on all working days, except Saturday and Sunday.

Number of meetings of the Board- section 134(3)(b):

During the year under review the Board of Directors met five times to deliberate various issues, matters etc. The details of Board of Directors and their Meetings, as on 16th April 2019, 1st June, 2019, 2nd August, 2019, 22nd October, 2019 and 10th January, 2020 attended by both the Directors of the Company, i.e. Mr. Deo Shankar Tripathi and Mr. Jitendra Chaturvedi.

Directors Responsibility Statement:

As required by section **134(3)(c)** of the Companies Act, 2013, the Board of Directors states that.

- a) in the preparation of the Annual Financial Statements for the year ended 31st March, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2020 and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Financial Statements on a going concern basis;
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details of Fraud Reporting, as per provisions of section 134 (3) (ca), read with section 143 (12) and other related provisions of the Companies Act, 2013:

During the year under review, there is no Fraud in the Company, as per provisions of section 134 (3) (ca), read with section 143 (12) of the Companies Act, 2013.

Your Company does not require to appoint Independent Directors, as per provisions of section 149 (4) of the Companies Act, 2013 read with the rules made thereunder. Therefore disclosure pursuant to section 134(3)(d) of Companies Act, 2013 is not applicable.

Pursuant to provisions of section 178 of the Companies Act, 2013, read with the rules made thereunder, your Company does not require to constitute Audit Committee, Nomination and Remuneration Committee CSR Committee etc. therefore disclosure pursuant to section 134(3)(e) of the Companies Act, 2013, is not applicable.

As per section **134(3)(f)** of the Companies Act, 2013, your Board states that during the year under review, there is no adverse qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors of the Company, during the course of their audits in their Audit Report, except one comment/remark on the outstanding dues of Rs. 2,37,105, payable towards Professional Tax and Rs. 82,882 towards Labour Welfare fund in other States, which is under dispute till the date of this Report and the company will settle & make payment of the amount after the lockdown/closure of offices are withdrawn due to COVID-19. Further, the Company is in frequent touch with the offices of respective State Governments and the said amount/dispute will be settled soon and will be updated to the Board of Directors of the Company. Further your Company is not required to appoint Secretarial Auditor, as per section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of section **134(3)(g)** of the Companies Act, 2013, there is no loan or guarantee or security is given under section 186 of the Companies Act, 2013 and details of Investments with related parties, as disclosed in Financial Statements and Notes of Accounts, thereto, which is forming part of Annual Report for Financial Year 2019-20.

As per section 134(3)(h) of the Companies Act, 2013, during the year under review, the company has entered into Related Party transaction i.e. receipt of advance security deposit with respect to supply of Manpower Services to holding Company in the ordinary course of business, as per provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, after necessary approvals taken. The details of such material transaction(s) with Related Parties are given in the Financial Statements and are also separately mentioned in the AOC-2, Annexure II to the Board Report.

Transfer of profits to Reserves, in terms of **section 134(3)(j)** of the Companies Act, 2013, Company was not required to transfer any amount to General Reserve. However, the net profit of previous year i.e. Rs. 13,59,517 was adjusted with the Loss of the year under review, which led to accumulated profits reduced to Rs.13,58,486 at the end of FY 2019-20.

In terms of **section 134(3)(k)** of the Companies Act, 2013, your Company has not declared any dividend as and retained the profits available for its operation and business purposes.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, in terms of Section 134(3) (l) :

The Government of India imposed Nation wide Lockdown from 25th March, 2020 onwards due to the COVID-19 pandemic, which has affected the Business & financial position of the Company and its Holding Company, from 4th quarter onwards.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in terms of Section 134(3)(m):

Conservation of Energy :

Your company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, we always take adequate measures to ensure optimum utilization and maximum possible saving of energy. At the Office premises energy saving devices are used, such as PLC, LED Light, 5 Star Inverter ACs, etc. which runs on very nominal energy with high impact.

Technology absorption:

Your Company is not a technology based company and has a minimal use of technology, to the extent to maintain the Accounting records in Tally ERP-9 software and work-line software for Human Resource Management.

Foreign Exchange earning and outgo : Nil

Risk Management under Section : 134(3)(n) :

The company always take care of adequate risk management processes & internal control measures, commensurate to its size of operations, including identification, assessment and monitoring of element of risk, if any, which in the opinion of the Board may jeopardize the interests of the company.

Section 134(3)(o) Corporate Social Responsibility:

The Corporate Social Responsibility (CSR) provisions under section 135 of the Companies Act, 2013 is not applicable to the company, since it does not fulfils any of the three conditions, under this section, therefore no provisions are required.

Formal Annual Evaluation of the Board, under section 134(3)(p) and rule 8(4) of the Companies (Accounts) Rules, 2014 :

Pursuant to provisions of section 134 (3)(p) of the Companies Act, 2013 read with rule 8(4) of the Companies (Accounts) Rules, 2014, the provisions related to formal annual evaluation of the performance of the Board, its Committees and of individual directors are not applicable to the company, as the Company is neither a listed Company nor having paid up share capital of twenty five crore rupees.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year:

During the financial year 2019-20 there is no change in the composition of Directors and as per the provisions of section 203 and rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014], your Company is not required to appoint Key Managerial Personnel.

Further, the Board of Directors have appointed Mr. Raj Anilkumar Nair as an Additional Director of the Company, w.e.f. 18th May, 2020 to hold office till the conclusion of the ensuing Annual General Meeting and his period of office shall be liable for retirement by rotation and will be appointed/regularised as Non-Executive Director, pursuant to provisions of section 152(6) read with section 160(1) of the Companies Act, 2013 as per the approval of shareholders at the said AGM.

Name of the Companies, which have become or ceased to become Subsidiary, Joint Venture or Associate Company, during the year under review :

The Company is a wholly owned subsidiary of Aadhar Housing Finance Limited & Company does not has any Subsidiary or Joint Venture or Associate Company, since it's incorporation and there is no change therein.

Details of Deposit Covered under Chapter V of the Companies Act, 2013 :

The Company does not have any Deposit as per section 73 of the Companies Act, 2013 read with rule 2(1) (c) of the Companies (Acceptance of Deposits) Rules, 2014 and the details of Security Deposit/Advance received by the Company (which is not treated as Deposit as per the aforesaid rule), towards supply of manpower services provided is given in the Audited Financial Statements which is forming part of the Annual Report and in Form AOC-2 Annexed herewith.

Vigil Mechanism / Whistle Blower Policy :

Pursuant to provisions of 177(9) of the Companies Act, 2013 read with Rule 7 Companies (Meetings of Board and its Powers) Rules, 2014, your Company is not covered in the aforesaid categories, therefore compliance to establishment of vigil mechanism, does not apply to the Company. However Company always takes care of the genuine concerns/grievances of employees.

Details of significant and material Order, passed by the Regulators or Court or Tribunals, impacting the going concern status and company's operations in future:

Nil

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements:

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations, commensurate to its size of operations.

Disclosures Under The Sexual Harassment Of Women At The Workplace (Prevention, Prohibition & Redressal) Act, 2013 :

Your Company is highly committed to create environment which is free from discrimination and harassment. We provide appropriate training to our employees on prevention prohibition of sexual harassment and Redressal of such cases, if occurred. During the year there was no such case occurred during the year under review & the committee of Holding company is taking care of these required for the company.

Training & Development :

Various Training programs are conducted on regular basis in association with Holding Company for employees to help them to learn specific knowledge and skills to improve performance in their current roles. The trainings were imparted on various aspects of Process & Product update training & Soft Skills.

Human Resources :

While the company maintains cordial and harmonious relationship with its employees, continuous training programmes are conducted by the company to enhance their efficiency.

Acknowledgement:

Your Directors would like to place on record their sincere gratitude to the Regulators, Ministry of Corporate Affairs, Central & State governments, customers and all other business associates and stakeholders for their continued support during the year under report.

Your Directors wish to acclaim and acknowledge the hard work and commitment of the employees at all levels who had contributed their might for improving the performance of the company year by year.

For and on behalf of the Board

S/d

Deo Shankar Tripathi
Director
DIN : 07153794

S/d

Jitendra Chaturvedi
Director
DIN : 06983509

Registered Office:

201, Raheja Point-1, Near SVC Bank, Vakola Pipeline,
Nehru Road, Santacruz, Mumbai, Mumbai- 400055, Maharashtra

Date : 28th May, 2020



Annual Return Extracts in MGT 9

ANNEXURE - I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. Corporate Identity Number (CIN) of the Company	U74999MH2017PTC297139
2. Registration date	10-07-2017
3. Name of the Company	Aadhar Sales and Services Private Limited
4. Category / Sub-Category of the Company	Company Limited by Shares
5. Address of the Registered office and contact details	201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz, Mumbai, Mumbai- 400055, Maharashtra Phone- 022-39509900 Fax- 022-39509934
6. Whether listed Yes/ No	No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited Tower # 5, 3rd to 6th Floors International Infotech Park Vashi, Navi Mumbai - 400 703, Maharashtra Tel. : (022) 6792 8000 Fax.: (022) 6792 8091

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	To carry on the business of agents and service provider for manpower services, recruitment, training, assignment of staff for specific or general purposes.	7830	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	Corporate Identity Number	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Aadhar Housing Finance Limited Regd. Office : 2 nd Floor, No. 3, JVT Towers, 8 th 'A' Main Road, S.R. Nagar, Bengaluru- 560 027.	U66010KA1990PLC011409	Holding	*100	2(46)

**Aadhar Housing Finance Ltd, holds 100% shares of the Company as a beneficial owner. Further, out of the total number of shares, 10 shares are held by Mr. Deo Shankar Tripathi, as a Nominee of Aadhar Housing Finance Ltd, to full fill the statutory requirement of minimum 2 shareholders.*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total-Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year* (01-04-2019)				No. of Shares held at the end of the year* (31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Body Corporate	-	*10,000	10,000	100	-	10,000	10,000	100	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	10,000	10,000	100	-	10,000	10,000	100	-
(2) Foreign									
(a) NRIs- Individual	-	-	-	-	-	-	-	-	-
(b) Other Individual	-	-	-	-	-	-	-	-	-
(c) Body Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/ FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	-	-	-	-	-	-	-	-	-
B Public Shareholding									
1. Institutions									
a) Mutual Fund	-	-	-	-	-	-	-	-	-

b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Funds Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Body Corporates									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh.	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Other Trust	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-

(C) Shares held by Custodian for GDRs & ADRs	-----NIL-----								
Grand Total (A+B+C)	-	10,000	10,000	100	-	10,000	10,000	100	-

ii) Shareholding of Promoters and Promoter Group-

Sr. No.	Shareholder's Name (Sh./ Smt./ M/s)	Shareholding at the beginning of the year (01-04-2019)			Shareholding at the end of the year (31-03-2020)			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to	
1	Aadhar Housing Finance Limited (Holding Company)	9,990	99.90	-	9,990	99.90	-	NA
2	Mr. Deo Shankar Tripathi (as a Nominee of Aadhar Housing Finance Ltd. to full fill the statutory requirement of minimum 2 shareholders)	10	0.10	-	10	0.10	-	NA

**Aadhar Housing Finance Ltd, holds 100% shares of the Company as a beneficial owner. Further, out of the total number of shares, 10 shares are held by Mr. Deo Shankar Tripathi, as a Nominee of Aadhar Housing Finance Ltd, to full fill the statutory requirement of minimum 2 shareholders.*

iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)- During the year under review there is no change in Promoters and Promoter Group Shareholding.

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Promoter Group and Holders of GDRs and ADRs)-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2019)		Cumulative Shareholding during/ end the year (31-03-2020)	
		No. of Shares*	% of total Shares of the company*	No. of Shares*	% of total Shares of the company*
1	Aadhar Housing Finance Limited (Holding Company)	9,990	99.90	9,990	99.90
2	Mr. Deo Shankar Tripathi (as a Nominee of Aadhar Housing Finance Ltd. to full fill the statutory requirement of minimum 2 shareholders)	10	0.10	10	0.10

v) **Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2019)		Cumulative Shareholding during the year (31-03-2020)	
		No. of Shares*	% of total Shares of the company*	No. of Shares*	% of total Shares of the company*
	a) Mr. Deo Shankar Tripathi (Nominee of Aadhar Housing Finance Limited)				
1	At the beginning of the year	10	0.10	10	0.10
2	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	NA			
3	At the end of the year	10	0.10	10	0.10

**Aadhar Housing Finance Ltd, holds 100% shares of the Company as a beneficial owner. Further, out of the total number of shares, 10 shares are held by Mr. Deo Shankar Tripathi, as a Nominee of Aadhar Housing Finance Ltd, to full fil the statutory requirement of minimum 2 shareholders.*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Rs.)

Particulars	Secured Loans and NCDs excluding deposits	Unsecured Loans	Security Deposit/ Advance against services	Total Indebtedness
a) Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	2,50,00,000	2,50,00,000
ii) Interest due but not paid	Nil	Nil	0	0
iii) Interest accrued but not due	Nil	Nil	0	0
Total (a) (i+ii+iii)	Nil	Nil	2,50,00,000	2,50,00,000
Change in Indebtedness during the financial year				
Addition	Nil	Nil	20,00,000	20,00,000
Reduction	Nil	Nil	80,00,000	80,00,000
Net Change	Nil	Nil	60,00,000	60,00,000
b) Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	1,90,00,000	1,90,00,000
ii) Interest due but not paid	Nil	Nil	0	0
iii) Interest accrued but not due	Nil	Nil	0	0
Total (b) (i+ii+iii)	Nil	Nil	1,90,00,000	1,90,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company is not required to appoint Managing Director, Whole-time Directors and/or Manager o, as per provisions of sections 196 & 203 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

B. Remuneration to other directors : Nil

C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD : The Company is not required to appoint any KMP, as per provisions of section 203 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-----NIL-----				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	-----NIL-----				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	-----NIL-----				
Punishment					
Compounding					

ANNEXURE- II

FORM NO. AOC-2

FY 2019-20

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:- NIL

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts/arrangements/transactions
- d) Salient terms of the contracts or arrangements or transactions including the value, if any
- e) Justification for entering into such contracts or arrangements or transactions
- f) Date(s) of approval by the Board
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

NOT APPLICABLE

2. Details of material contracts or arrangement or transactions at arm's length basis (i).

(a). Name(s) of the related party and nature of relationship	Aadhar Housing Finance Limited, i.e. Holding Company
(b). Nature of contracts/ arrangements/ transactions	To provide manpower services, which inter-alia include recruitment, training, assignment of staff for specific or general purposes.
(c). Duration of the contracts/ arrangements/ transactions	Not Applicable, as Supply of Manpower Services is the Ordinary Course of business of the Company and on-going activity.
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	The aggregate turnover of the Company, i.e. Rs. 19,65,43,337 was received from the Holding Company. The transactions entered in Ordinary course of business and exempted under proviso to section 188(1) of the Companies Act, 2013. The amount of turnover is also mentioned in the Audited Financial Statements of the Company for the FY 2020.
(e). Date(s) of approval by the Board, if any:	NA
(f). Amount paid as advances, if any:	Nil

(ii).

(a). Name(s) of the related party and nature of relationship	Aadhar Housing Finance Limited, i.e. Holding Company
(b). Nature of contracts/ arrangements/ transactions	During the FY 2019-20, Security Deposit/ Advance, amounting to Rs. 20,00,000 towards supply of manpower services, which inter-alia include recruitment, training, assignment of staff for specific or general purposes, received from Holding Company, as per the Service Provider Agreement executed.
(c). Duration of the contracts/ arrangements/ transactions	As per Service Provider Agreement, executed.
(d). Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company supplies Manpower Services to Aadhar Housing Finance Limited.
(e). Date(s) of approval by the Board, if any:	6 th October, 2017
(f). Amount paid as advances, if any:	As above

INDEPENDENT AUDITOR’S REPORT

To the Members of Aadhar Sales and Services Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Aadhar Sales and Services Private Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Financial Statements”).

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 31st March, 2020, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity 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 (the “Act”). 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors Report including Annexures but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Board of Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, 2013 with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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 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.

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

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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income , the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015 , as amended.
 - e. On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended , in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations on 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 Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration no. 101720W/W100355)

SD/-
Jignesh Mehta
Partner
Membership No.: 102749
UDIN:

Place : Mumbai
Date :

“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

- i) In respect of its fixed assets : As the Company had no Fixed Assets during the year, clause (i) of paragraph 3 of order is not applicable to the Company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company
- iii) 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. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) According to information and explanations provided to us, the Company is not required to maintain accounts and cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 and as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable.
- vii) In respect of Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax, Customs Duty, Cess, and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us undisputed amounts, in respect of the Statutory dues referred above outstanding as at 31st March 2020, for a period of more than six months from the date they became payable are as under:

Nature of Dues	Amount (Rs.)	Period to which amount Relates
Professional Tax	2,37,105	November’17 to September’19
Labour Welfare Fund	82,882	November’17 to June’19

- b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, duty of customs, cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised loan from financial institution or Banks or government company or by issue of debentures. Hence clause (ix) of paragraph 3 of the order are not applicable to the company.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans were applied for the purposes for which those are raised.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, company has not paid any managerial remuneration and hence Clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- xii) In our opinion company is not a Chit fund / Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In respect of transactions with related parties:
 - a) In our opinion and according to the information and explanations given to us, section 177 is not applicable to the company.
 - b) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration no. 101720W/W100355)

SD/-
Jignesh Mehta
Partner
Membership No.: 102749
UDIN:

Place: Mumbai
Date:

“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

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 Control over financial reporting of **Aadhar Sales and Services Private Limited** (“the company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the 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 (ICAI). 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 Act.

Auditor’s 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 Act, 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 ICAI. 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 judgment, 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 31st March, 2020, 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 ICAI.

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Firm Registration no. 101720W/W100355)

SD/-

Jignesh Mehta

Partner

Membership No.: 102749

UDIN:

Place: Mumbai

Date:

Aadhar Sales and Services Private Limited

Balance Sheet as at March 31, 2020

(Amount in Rs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1 Non-current assets			
a. Income tax assets (Net)	4	2,41,20,233	2,54,30,310
b. Deferred tax assets(Net)	5	17,19,077	8,51,001
Total non-current assets		2,58,39,310	2,62,81,311
2 Current assets			
a Financial assets			
i. Investments	6	4,53,697	54,06,182
ii. Cash and cash equivalents	7	54,60,092	61,67,998
Total current assets		59,13,789	1,15,74,180
Total assets (1+2)		3,17,53,099	3,78,55,491
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	8	1,00,000	1,00,000
b. Other equity	9	17,67,599	8,41,631
Total equity		18,67,599	9,41,631
Liabilities			
4 Non-current liabilities			
Provisions	10	64,70,970	31,44,427
Total non-current liabilities		64,70,970	31,44,427
5 Current liabilities			
a. Financial liabilities			
i. Trade payables	11		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b.Total outstanding dues of creditors other than micro enterprises and small enterprises		3,70,618	4,15,081
ii. Other financial liabilities	12	1,90,00,000	2,52,12,943
b. Other liabilities	13	40,32,850	81,31,348
c. Provisions	14	11,062	10,061
Total current liabilities		2,34,14,530	3,37,69,433
Total equity and liabilities (3+4+5)		3,17,53,099	3,78,55,491

See accompanying notes forming part of financial statements 1-27
In terms of our report attached.

For Chaturvedi & Shah LLP
Chartered Accountants
FRN: 101720W/W100355

For and on behalf of the Board of Directors

SD/-
Jignesh Mehta
Partner
M.No.102749

SD/-
Deo Shankar Tripathi
Director
DIN 07153794

SD/-
Jitendra Chaturvedi
Director
DIN 06983509

Place: Mumbai
Dated: 28th May 2020

Aadhar Sales and Services Private Limited

Statement of Profit and Loss for the year ended 31st March , 2020

(Amount in Rs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1 Income			
Revenue from operations	15	19,65,43,337	29,12,93,952
Other income	16	9,33,187	2,06,182
Total income		19,74,76,524	29,15,00,134
2 Expenses			
Employees benefits expense	17	18,93,45,538	28,13,48,207
Other expenses	18	77,24,650	73,32,376
Total expenses		19,70,70,188	28,86,80,583
3 Profit before tax		4,06,336	28,19,551
4 Tax expense	19		
Current tax		8,75,667	15,17,689
Short/(Excess) Provision of Income Tax		7,11,550	6,11,386
Deferred tax		(11,79,850)	(6,69,041)
		4,07,367	14,60,034
5 Profit / (loss) for the year		(1,031)	13,59,517
6 Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
i. Remeasurements of the defined employee benefit plans;		12,38,773	6,65,244
ii. Income tax relating to items that will not be reclassified to profit or loss		3,11,774	1,72,963
Total other comprehensive income for the Year		9,26,999	4,92,281
7 Total comprehensive income for the Year		9,25,968	18,51,798
8 Earning per equity share (Not annualised)	20		
Basic and diluted earning per share (Rs.)		(0.10)	135.95
Face value per equity share (Rs.)		10	10
Weighted average number of equity shares (Nos.)		10,000	10,000

See accompanying notes forming part of financial statements
In terms of our report attached.

1-27

For Chaturvedi & Shah LLP
Chartered Accountants
FRN: 101720W/W100355

For and on behalf of the Board of Directors

SD/-
Jignesh Mehta
Partner
M.No.102749

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SD/-
Jitendra Chaturvedi
Director
DIN 06983509

Place: Mumbai
Dated: 28th May 2020

Aadhar Sales and Services Private Limited

Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

For the Year Ended 31st March, 2020

(Amount in Rs)

Balance as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
1,00,000	-	1,00,000

For the Year Ended 31st March, 2019

(Amount in Rs)

Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
1,00,000	-	1,00,000

B. Other Equity

(Amount in Rs)

Particulars	Reserve & Surplus		Other comprehensive income
	Retained Earning		Remeasurement gain/ (loss) on defined benefit plans Total
Balances at 1st April, 2018	-10,10,167	-	-10,10,167
Profit / (loss) for the year	13,59,517	-	13,59,517
Re-measurement of the net defined benefit Plans	-	4,92,281	4,92,281
Balances at March 31, 2019	3,49,350	4,92,281	8,41,631
Profit / (loss) for the year	-1,031	-	-1,031
Re-measurement of the net defined benefit Plans	-	9,26,999	9,26,999
Balances at March 31, 2020	3,48,319	14,19,280	17,67,599

See accompanying notes forming part of financial statements
In terms of our report attached.

1-27

For Chaturvedi & Shah LLP
Chartered Accountants
FRN: 101720W/W100355

For and on behalf of the Board of Directors

SD/-
Jignesh Mehta
Partner
M.No.102749

SD/-
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Director
DIN 07153794

SD/-
Jitendra Chaturvedi
Director
DIN 06983509

Place: Mumbai
Dated: 28th May 2020

Aadhar Sales and Services Private Limited

Cash flow statement for the year ended 31st March, 2020

(Amount in Rs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Net profit before tax	4,06,336	28,19,551
Operating profit before working capital changes	4,06,336	28,19,551
Adjustments for:		
Excess Provision Written back	(2,12,943)	-
Profit on Sale of Investment	(1,50,153)	(1,84,719)
Gain on fair valuation of investments measured at fair value through profit or loss	(2,221)	(21,463)
Operating profit before working capital changes	41,019	26,13,369
Movements in working capital		
Increase / (decrease) in trade payables	(44,463)	(2,47,413)
Increase in provision	33,27,544	31,54,488
Increase in other assets and other financial assets	-	1,00,000
Increase / (decrease) in other liabilities and other financial liabilities	(88,59,725)	1,70,43,823
Cash generated from operations during the year	(55,35,625)	2,26,64,267
Tax paid	(2,77,140)	(1,87,03,201)
Net cash used in operating activities [A]	(58,12,765)	39,61,066
B. Cash flow from investing activities		
Proceeds from Sale of Investment in Mutual Fund	5,81,04,859	3,55,00,000
Investment Investment in Mutual Fund	(5,30,00,000)	(4,07,00,000)
Net cash used in investing activities [B]	51,04,859	(52,00,000)
C. Cash flow from financing activities		
Net cash generated from financing activities [C]	-	-
Net increase / (decrease) in cash & cash equivalents [A+B+C]	(7,07,906)	(12,38,934)
Cash & cash equivalents at the beginning of the Year	61,67,998	74,06,932
Cash & cash equivalents at the end of the year / Period (Refer note 7)	54,60,092	61,67,998
Notes to Cash Flow		
Components of cash and cash equivalents :		
Cash on hand	175	3,175
Balance with Bank	54,59,917	61,64,823
Cash and Cash equivalents at the end of the year (Refer Note 7)	54,60,092	61,67,998

See accompanying notes forming part of financial statements
In terms of our report attached.

1-27

For Chaturvedi & Shah LLP
Chartered Accountants
FRN: 101720W/W100355

For and on behalf of the Board of Directors

SD/-
Jignesh Mehta
Partner
M.No.102749

SD/-
Deo Shankar Tripathi
Director
DIN 07153794

SD/-
Jitendra Chaturvedi
Director
DIN 06983509

Place: Mumbai
Dated: 28th May 2020

NOTES ON FINANCIAL STATEMENT AS AT 31st March, 2020

4. Income tax assets

(Amount in Rs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Income tax paid in advance	2,41,20,233	2,54,30,310
Total	2,41,20,233	2,54,30,310
Movement in Provision :		
At start of year	2,54,30,310	88,56,184
Charge for the year	-15,87,217	-21,29,075
Provision for tax on Other Comprehensive Income	-	-
Tax paid during the year (net)	2,77,140	1,87,03,201
At the end of the year	2,41,20,233	2,54,30,310

5. Deferred tax asset

Particulars	As at March 31, 2020	As at March 31, 2019
At start of year	8,51,001	3,54,923
Charge/ (credit) to profit or loss	11,79,850	6,69,041
Charge to Other Comprehensive Income	(3,11,774)	(1,72,963)
At the end of the year	17,19,077	8,51,001
Deferred Tax Asset/(Liability) in relations to		
Related to Disallowances under Income Tax Act, 1961	17,19,077	8,51,001
Total	17,19,077	8,51,001

6. Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Current investments		
Investments in Mutual Funds measured at FVTPL (Quoted)		
Invesco India Liquid Fund - Direct Plan Growth)	4,53,697	54,06,182
Total	4,53,697	54,06,182
Aggregate amount of quoted investments	4,53,697	54,06,182

7. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	175	3,175
Balances with banks		
In current accounts	54,59,917	61,64,823
Total	54,60,092	61,67,998

8. Share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
10,000 (P.Y. 10,000) Nos. of equity shares of Rs 10 each	1,00,000	1,00,000
Issued share capital		
10,000 (P.Y. 10,000) Nos. of equity shares of Rs 10 each	1,00,000	1,00,000
Subscribed and paid up capital		
10,000 (P.Y. 10,000) Nos. of equity shares of Rs 10 each	1,00,000	1,00,000
Total	1,00,000	1,00,000

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

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares at the date of beginning of the year	10,000	10,000
Equity shares at the date of incorporation	-	-
Add: Shares issued during the year	-	-
Equity shares at the end of the year	10,000	10,000

b) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2020		As at March 31, 2019	
	% of Holding	Number of shares	% of Holding	Number of shares
Aadhar Housing Finance Limited	100%	10,000	100%	10,000

c) Details of Holding Company :

Particulars	As at March 31, 2020		As at March 31, 2019	
	% of Holding	Number of shares	% of Holding	Number of shares
Aadhar Housing Finance Limited	100%	10,000	100%	10,000

d) Terms and rights attached to shares.

The company has only one class equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holders are also entitled to dividend as and when proposed by the Board of Directors and approved by share holders in Annual General Meeting. 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 which shall be in proportion to the number of shares held by the shareholders. The company is wholly own subsidiary of Aadhar Housing Finance Limited.

9. Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
a) Profit and Loss Account		
As per Last Balance Sheet	3,49,350	(10,10,167)
Add : Profit / (loss) for the year	(1,031)	13,59,517
Closing Balance	3,48,319	3,49,350
b) Other Comprehensive Income		
Remeasurement gain/ (loss) on defined benefit plans		
As per last Balance Sheet	12,38,773	6,65,244
Add/(Less) :- Actuarial Gain / (Loss) on Employee Benefits (net)	4,92,281	-
Closing Balance	9,26,999	4,92,281
	14,19,280	4,92,281

Description of nature and purpose of each reserve

The Surplus in Statement of Profit and Loss reflects surplus/deficit after taxes in the Profit or Loss. The amount that can be distributed by the Parent Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

10. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity	64,70,970	31,44,427
Total	64,70,970	31,44,427

11. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
a) Total outstanding dues to micro enterprises and small enterprises		
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Payable to service providers	3,70,618	4,15,081
Total	3,70,618	4,15,081

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

PARTICULARS	As at March 31, 2020	As at March 31, 2019
a) Principal amount and interest thereon remaining unpaid at the end of year interest paid including	-	-
b) Interest due and payable for delay during the year	-	-
c) Amount of interest accrued and unpaid as at year end	-	-
d) The amount of further interest due and payable even in the succeeding year	-	-

12. Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Payable to Related Parties		
Security Deposits	1,90,00,000	2,50,00,000
Others		
Accrued employee benefits	-	2,12,943
Total	1,90,00,000	2,52,12,943

13. Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances	40,32,850	81,31,348
Total	40,32,850	81,31,348

14. Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	11,062	10,061
Total	11,062	10,061

Notes on Financial Statements for the year ended 31st March, 2020

15. Revenue from operations

(Amount in Rs)

Particulars	From April 2019 to March 31, 2020	From April 2018 to March 31, 2019
Manpower Services	19,65,43,337	29,12,93,952
Total	19,65,43,337	29,12,93,952

16. Other income

Particulars	From April 2019 to March 31, 2020	From April 2018 to March 31, 2019
Net gains / (loss) arising on financial assets measured at FVTPL		
Realised	1,50,153	1,84,719
Unrealised	2,221	21,463
Interest on IT Refund	5,67,870	-
Excess Provision Written back	2,12,943	-
Total	9,33,187	2,06,182

17. Employee benefits expense

Particulars	From April 2019 to March 31, 2020	From April 2018 to March 31, 2019
Salaries, bonus and other allowances	16,62,72,805	25,29,60,726
Contribution to provident fund & other funds	2,30,72,733	2,83,87,481
Total	18,93,45,538	28,13,48,207

18. Admin and other expenses

Particulars	From April 2019 to March 31, 2020	From April 2018 to March 31, 2019
Rent	2,40,000	2,40,000
Computer Expenses	3,600	3,600
Insurance	54,65,271	42,95,764
Legal & professional charges	17,72,694	25,22,683
Auditors remuneration (Refer note 18.1)	1,50,000	1,50,000
Other expenses	93,085	1,20,329
Total	77,24,650	73,32,376

18.1 Payment to Auditor

Particulars	From April 2019 to March 31, 2020	From April 2018 to March 31, 2019
As Auditor:		
Audit Fees	1,25,000	1,25,000
Tax audit Fees	25,000	25,000
Total	1,50,000	1,50,000

19 Taxation

Income tax related to items charged or credited to profit or loss during the year:

A	Statement of Profit or Loss		
	1 Current Income Tax	8,75,667	15,17,689
		8,75,667	15,17,689
	2 Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	(11,79,850)	(6,69,041)
		(11,79,850)	(6,69,041)
	3 Adjustments in respect of Income Tax of previous year		
	Current Income Tax	7,11,550	6,11,386
	Deferred Tax	-	-
		7,11,550	6,11,386
	Total Income tax Expenses (1 to 3)	4,07,367	14,60,034
B	Reconciliation of Current Tax expenses:		
	Profit /(Loss) from Continuing operations	4,06,336	28,19,551
	Applicable Tax Rate	26%	26%
	Computed tax expenses	1,05,647	7,33,083
	Additional allowances for tax purpose	1,00,145	29,981
	Income not allowed/exempt for tax purposes	8,70,164	8,14,587
		8,75,666	15,17,689
C	Deferred Tax Recognised in statement of profit and Loss relates to the following:		
	Expenses allowable on payment basis	(16,31,398)	(8,20,167)
	Provision for loss allowance		
	Other temporary differences	(87,679)	(30,834)
	On OCI	(3,11,774)	(1,72,963)
	Opening Deffered Tax on Losses	8,51,001	3,54,923
		(11,79,850)	(6,69,041)
D	Reconciliation of deferred tax liabilities/(asset) net:		
	Opening balance as on 1st April	8,51,001	3,54,923
	Tax expenses / (income) during the year	11,79,850	6,69,041
	Charge to Other Comprehensive Income	(3,11,774)	(1,72,963)
	At the end of the year	17,19,077	8,51,001

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

1. Corporate information

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company was incorporated on 11th July, 2017 and is carrying business of providing manpower outsourcing related services. The Company is a wholly owned subsidiary of Aadhar Housing Finance Limited. The principle place of business is located at 201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santa Cruz Mumbai –400055.

For Company's principal shareholders, refer note no.8.

These financial statements were approved and adopted by Board of Directors in their meeting dated 28th May 2020

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The significant accounting policies used in preparing financial statements are set out below in Note 2 of the Notes to Financial Statements and are applied consistently to all the periods presented.

2. Significant accounting policies:

2.1 Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Defined benefit plans – plan assets measured at fair value.
- Certain financial assets and liabilities that are measured at fair value

2.2 Functional and presentation currency:

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

2.3 Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

De-recognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass-through' arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the assets,
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered to a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associate liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Trade receivables or contract revenue receivables; and

Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Company obtains security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement.

Financial Liabilities:

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De - recognition:

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

Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

2.4 Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

2.5 Revenue Recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration expected to be received in exchange for those services. Revenues from the provision for man power services are recognised on completion of service. The payments are typically due within 7 days. The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

2.6 Employees benefits:

- i. Defined contribution plan
The contribution to provident fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit & Loss based on the amount of contribution required to be made as and when services are rendered by the employees.
- ii. Defined benefits plan
The Company's Gratuity liability under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

2.7 Borrowing Costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.8 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised but disclosed in financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

2.9 Income Taxes:

Current Income Tax:

Current Income Tax liabilities (assets) are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Earnings per share:

The Company's Earnings per Share ('EPS') is determined based on the net profit attributable to the equity shareholders' of the Company and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) for such instruments.

2.11 Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

2.12 Foreign currencies

Functional currency of the Company has been determined based on the primary economic environment in which the Company operate considering the currency in which funds are generated, spent and retained.

2.13 Segments

The Company's main business is providing manpower services and business sourcing agents, in India. All other activities of the Company revolve around the main business. This, in the context of Ind AS 108 – operating segments, reporting is considered to constitute one reportable segment.

2.14 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.15 Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months.

3 Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(a) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non- payment.

(b) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

(c) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continually evaluated.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

20. Earnings per share

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit after tax attributable to equity shareholders (Rs.)	(1,031)	13,59,517
Weighted average number of equity shares outstanding during the year (Nos)	10,000	10,000
Weighted average number of equity shares outstanding during the year and potential shares outstanding (Nos)	10,000	10,000
Face value per equity share (Rs.)	10	10
Basic earnings per equity share of Rs 10/- each	(0.10)	135.95
Diluted earnings per equity share of Rs 10 /- each	(0.10)	135.95

21. Contingent liabilities / Commitments

Company does not have contingent liabilities or commitments of capital nature as at March 31, 2020.

22. Segment reporting

The Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources. The Company operates only in one Operating Segment i.e. Manpower services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India. All the revenues are generated from one customer i.e. Holding company.

23. Financial Instruments

Financial Assets and Liabilities

The Carrying value of financial instruments by categories :

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss				
Investments				
In Mutual Fund	453,697	453,697	54,06,182	54,06,182
Financial assets designated at amortised cost				
Cash and cash equivalents	54,60,092	54,60,092	61,67,998	61,67,998
Total	59,13,789	59,13,789	1,15,74,180	1,15,74,180

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

Financial liabilities designated at amortised cost				
Trade payables	3,70,618	3,70,618	4,15,081	4,15,081
Other financial liabilities	1,90,00,000	1,90,00,000	2,52,12,943	2,52,12,943
Total	1,93,70,618	1,93,70,618	2,56,28,024	2,56,28,024

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1. Fair Value of financial assets and liabilities are carried at amortised cost is not materially different from its carrying cost.
2. Fair value of investments in mutual funds are based on NAV price declared by the fund/quotes on stock exchange.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

Particulars	2019-20			2018-19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets and liabilities measured at fair value:						
<u>Financial assets:</u>						
Investments in mutual fund	4,53,697			54,06,182		

During the year ended March 31, 2020 and March 31, 2019, there are no transfers between level 2 and level 3

24. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include investments in mutual funds.

Foreign currency risk

The Company is not exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

Commodity and other price risk

Company is not exposed to commodity and other price risk.

Credit Risk

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

The Company extends credit to holding company and hence is not exposed to credit risk. Company considers factors such as track records, size of institution, market reputation, service standards, etc to select banks, mutual fund and other financial institutions to reduce the credit risk.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company monitors the liquidity position through rolling forecast on the basis of expected cash flows.

25. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

26. Employee benefits

- a. The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined benefit plan under the Provident Fund Act. Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	36,04,405	36,76,993
Contribution to pension fund	81,33,721	82,64,350
Contribution to ESIC	57,45,010	1,15,53,887

- b. Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

The company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation during the year

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Defined Benefit Obligation at the beginning of the year	3,154,488	-
Current service cost	4,326,576	3,735,157
Interest cost	239,741	84,575
Plan Amendment Cost	-	-
Actuarial (gain) / losses	(1,238,773)	(665,244)
Benefits paid	-	-
Defined Benefit Obligation at the end of the year	6,482,032	3,154,488

ii. Amount to be recognized in Balance sheet:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of Defined Benefit Obligation	6,482,032	3,154,488
Fair Value of plan assets at the end of the year	-	-
Amount recognized in Balance sheet	6,482,032	3,154,488
Bifurcation into Current and Non Current		
Current	11,062	10,061
Non-Current	6,470,970	3,144,427

iii. Expenses recognized in Statement of Profit and Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	4,326,576	3,735,157
Net interest on net defined benefit liability / (asset)	239,741	84,575
Plan Amendment cost / Direct Payment	-	-
Expenses recognized in the profit and loss account under employee expenses	4,566,317	3,819,732

iv. Expenses recognized in Statement of Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain) / loss due to DBO experience	(2,957,064)	(824,091)
Actuarial (gain) / loss due to DBO assumption changes	1,718,291	158,847
Actuarial (gain) / loss arising during year	(1,238,773)	(665,244)
Expenses recognized in the other comprehensive income	(1,238,773)	(665,244)

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

v. Expected benefit payments

Rs. in Lakh

Particulars	As at March 31, 2020
March 31, 2021	11,427
March 31, 2022	16,779
March 31, 2023	22,830
March 31, 2024	1,312,308
March 31, 2025	1,897,124
March 31, 2026 to March 31, 2030	14,096,304

vi. Actuarial Assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mortality Table	IALM (2006-08) (Ultimate)	IALM (2006-08) (Ultimate)
Discount Rate	6.7%	7.6%
Salary Escalation Rate	9.5%	8%
Withdrawal Rate	8.0%	8.0%
The weighted average duration of plan	10 Years	10 Years
No. of Employees	583	1,127
Total Monthly Salary	56,33,602	93,90,336
Total Annual Salary	6,76,03,224	11,26,84,032
Average Annual Salary	1,15,958	99,986
Average Attained age (years)	31.46	29.94
Average past service (years)	1.99	0.96

Notes

1 The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market.

2 Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.

3 Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.

4 The above information is certified by actuary.

Effect of change in assumptions

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(421,468)
Discount Rate (decrease by 0.5%)	463,688
Salary Escalation Rate (increase by 0.5%)	449,710
Salary Escalation Rate (decrease by 0.5%)	(413,487)
Withdrawal Rate (increase by 0.5%)	(1,495,486)
Withdrawal Rate (decrease by 0.5%)	2,522,099

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

These gratuity plan typically expose the Company to actuarial risks such as: interest risk, longevity risk, salary risk and demographic risk

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 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 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.

Demographic risk :

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Related party transactions

List of related parties with whom transactions have taken place during the year and relationship:

S.No	Relationship	Name of Related Party
1.	Ultimate Holding Company	BCP Topco VII Pte Ltd.
2.	Holding Company	Aadhar Housing Finance Limited
3.	Key Management Personal	Shri Deo Shankar Tripathi - Director
		Shri Jitendra Chaturvedi- Director

Transactions with Related Parties:

Name	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income :			
Aadhar Housing Finance Limited	Manpower Services	19,65,43,337	29,12,93,952
Expenses :			
Aadhar Housing Finance Limited	Rent Expenses	2,40,000	2,40,000
Aadhar Housing Finance Limited	Reimbursement of Expenses	-	78,181

Significant accounting policies and notes to the accounts for the year ended March 31, 2020

Balances with Related Parties:

Name	Particulars	As at March 31, 2020	As at March 31, 2019
Aadhar Housing Finance Limited	Payable	-	21,600
Aadhar Housing Finance Limited	Deposit	1,90,00,000	2,50,00,000

27. Previous year's figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. Accordingly, amounts and other disclosures for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

For Chaturvedi & Shah LLP
Chartered Accountants
FRN: 101720W/W100355

For and on behalf of the Board of Directors

SD/-
Jignesh Mehta
Partner
M.No.102749

SD/-
Deo Shankar Tripathi
Director
DIN 07153794

SD/-
Jitendra Chaturvedi
Director
DIN 06983509

Place: Mumbai
Dated: 28th May 2020